

Draft Forest Management Certification *Update Evaluation Report* for the:

**West-Side State Trust Forestlands
Managed by the
Washington Department of Natural Resources**

**Conducted under auspices of the SCS Forest Conservation Program
SCS is an FSC Accredited Certification Body**

Submitted to:

**Washington Department of Natural Resources
Olympia, Washington**

Date of Report:

November 2003

By:

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SECTION A: PUBLIC SUMMARY & BACKGROUND INFORMATION

1.0 GENERAL INFORMATION

1.1 FSC DATA REQUEST

Name and contact information for the subject operation:

- Source name: Washington Department of Natural Resources, West-side Timberlands
- Contact person: Craig Partridge, Policy Director, Policy Development and Management Systems
- Address: 1111 Washington St. SE, P.O. Box 47001, Olympia, WA 98504
- Telephone: 360-902-1028
- Fax: 360-902-1775
- E-mail: craig.partridge@wadnr.gov
- Products sourced from the subject forest management unit: softwood and hardwood logs
- Number of Acres/hectares: approximately 1.3 million acres in western Washington
- Nearest Town: Olympia, Washington
- Biome: Temperate Needleleaf
- Tenure: Public, state trust lands
- Forest Composition: Mixed conifer including: Douglas fir, Grand fir, Western and Mountain hemlock, Western red cedar, Sitka spruce, Lodgepole pine, Ponderosa pine, alder, maple
- Managed as: Natural Forest

1.2 GENERAL BACKGROUND

Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by The Pinchot Institute to conduct an “update audit” of the Washington Department of Natural Resource’s (WADNR) management of the west-side trust forestlands. Under the FSC/SCS certification system, forest management operations meeting international standards of forest stewardship can be certified as “well managed”, thereby enabling use of the FSC endorsement and logo in the marketplace.

This update audit follows upon a full certification evaluation that commenced in September, 2000 and that concluded with issuance of a final report in February, 2001. This prior certification evaluation, as memorialized in the resulting report, concluded that award of certification to WADNR for the management of the west-side trust forestlands was warranted, subject to a series of conditions. In April, 2001, WADNR informed SCS that it was not prepared to proceed with certification at that time. In that three years have now elapsed since the prior full evaluation was commenced, FSC and SCS protocols require that the findings in the February 2001 report be updated, for two reasons:

- To identify and consider the ramifications of any changes made by WADNR in their management policies, programs, practices, prescriptions and staff resources applied to management of the west-side trust forestlands

- To consider the implications of the recent endorsement of the FSC Pacific Coast Regional Standards¹

In August 2003, an interdisciplinary team of natural resource specialists was empanelled by SCS to conduct the update evaluation. The team collected and analyzed written materials, conducted interviews and completed a 5 day field and office audit of the subject property as part of the update evaluation. Upon completion of the fact-finding phase of the evaluation, the team assigned performance scores to the 47 FSC Criteria and, from those scores, generated weighted average performance scores for each of the 9 applicable FSC Principles², in order to determine whether award of certification was warranted.

This report is issued for the purpose of providing the DNR with more current information as to the following two fundamental questions:

1. Have pertinent changes in WADNR's management of the west-side trust forestlands occurred, relative to observed circumstances in September, 2000, such that the fundamental certification decision and appurtenant terms/conditions that were rendered in the February, 2001, report are now in need of revision?
2. Have changes in the requirements for certification under the FSC, associated with the transition from the interim standard employed in 2000 to the endorsed regional standard now in effect require revision to the fundamental certification decision and appurtenant terms/conditions that were rendered in the February, 2001, report?

1.3 FOREST MANAGEMENT ENTERPRISE

1.3.1 Background Information

As this report details the findings of an "update audit" that followed upon a full certification evaluation report issued in February 2001, the reader is referred to the prior report for a more detailed description of the Washington Department of Natural Resource's management of the west-side trust forestlands.

1.3.2 Management Objectives

There have been no significant changes in DNR's management objectives for the west-side trust forestlands since the time of the prior full certification evaluation. The reader is referred to the February, 2001, full certification report issued by SCS and released by The Pinchot Institute for an overview of the DNR's management objectives.

1.3.3 Silvicultural Systems

¹ At the time of the prior full evaluation, there were no endorsed regional standards for the Pacific Coast region. As such, and according to FSC/SCS protocols, SCS employed a regionalized *interim standard*. Now that the Pacific Coast Regional Standard has been endorsed, certification decisions must be made against the new rather than the prior interim standard. As such, the evaluation previously conducted must now be updated relative to the Pacific Coast Regional Standard.

² As the subject operations were judged to be natural forest management operations per FSC definitions, Principle 10 and its attendant Criteria were not employed in this evaluation.

Relative to the circumstances at the time of the prior full certification evaluation, there have been no significant changes in silvicultural systems and associated timber management prescriptions employed by DNR field personnel in the management of the timber resource found on the west-side trust forestlands. The reader is referred to the February, 2001, full certification report issued by SCS and released by The Pinchot Institute for an overview of the DNR's silvicultural systems.³

1.3.4 Estimates of Maximum Sustainable Yield

The SCS audit team was informed that the current maximum sustained yield for the subject forest area is approximately 540 million board feet (log scale) per year.

1.4 ENVIRONMENTAL AND SOCIOECONOMIC CONTEXT

1.4.1 Environmental Context

In the judgment of the SCS audit team members involved in this update audit, all of whom were involved in the prior full evaluation, there have been no significant changes in the environmental context for the management of the west-side trust forestlands, as compared to Fall 2000, when the field component of that prior evaluation took place. The reader is referred to the February 2001 full certification evaluation report issued by SCS and released by The Pinchot Institute for a summary of the environmental context.

1.4.2 Socioeconomic Context

The socioeconomic context of DNR as a potential applicant for FSC-endorsed certification is defined by a combination of factors:

- DNR's legal obligations to the trust beneficiaries
- General expectations/desires placed on DNR by citizens of Washington that may not, in all cases, be consonant with the agency's understanding of its legal obligations to the trust beneficiaries
- Expectations and requirements embodied in the FSC Principles and Criteria which may not, as well, be fully consonant with the agency's understanding of its legal obligations.

An understanding of the socio-economic context in which DNR management of the trust forestlands takes place, and the degree to which the agency's legal obligations, management objectives, modes of operation, and outcomes fit within this context, is integral to FSC-endorsed certification evaluations. As a manager of trust lands, DNR has a fiduciary responsibility entailing income generation for this and future generations of beneficiaries. As a public land manager, DNR must ensure that the general public has access, within the constraint of trust management considerations, to general recreation and non-commercial activities. This includes

³ It is noted that shortly after completion of the field reconnaissance, DNR initiated administrative mechanisms that may result in various changes to the silvicultural procedures, as memorialized in the Forestry Handbook. These possible changes, having not yet been fixed and finalized are not considered in this report.

consideration of, and management for, Native American/Indigenous uses of cultural and subsistence activity. Public use must be managed to provide a positive experience for the users while protecting the ecological and economic value of the land base.

Were DNR to be certified under the FSC, it would be responsible as a community neighbor for maintaining positive relations with local stakeholders, and for providing meaningful opportunities for public involvement. Likewise, DNR would be expected to maintain and/or enhance the long-term economic well-being of forest workers and communities. For example, forest management should ensure contractor safety and provide a high standard of employee benefits, salary and other compensation and community members should be given opportunities for employment, training, and other services.

Finally, DNR would be expected to periodically conduct monitoring and assessment of the socio-economic impact of its management activities, to inform future management decisions and direction as well as to provide pertinent measures and indicators for evaluating DNR's performance relative to the socioeconomic aspects of the certification standards.

1.4.3 High Value Conservation Forest

As required by FSC Principle 9⁴, the evaluation team emphasized the importance of maintaining qualified sites as High Conservation Value Forest within the defined forest area, and audited accordingly. HCVF may include unique or threatened ecological areas and/or areas of cultural significance that must be managed so as to maintain the attributes that make them of high conservation value. That is, HCVF cannot be converted (such as to other types of forest cover) to altered conditions where the salient attributes that make these areas HCVF are lost.

Within the west-side trust forestland estate managed by the DNR, the most likely HCV areas may include: 1) un-entered old growth stands, 2) previously entered but lightly impacted old growth stands, 3) areas containing scattered residual old-growth trees, 4) populations of the endemic and rare flora or fauna, and 5) sites of cultural importance to the American Indian tribes located within western Washington, 6) forestland within watersheds from which municipalities draw potable water.

⁴ As is discussed in detail later in this report, the FSC's requirements with respect to high conservation value forests—particularly as articulated by the recently endorsed Pacific Coast Regional Standard (see discussion later in this report)—have evolved substantially as compared to September 2000, when the original audit was conducted.

1.4.4 CHANGE IN THE FSC CERTIFICATION STANDARD

At the time of original full certification evaluation in 2000/2001, there was not a duly endorsed FSC Regional Standard. Thus, and pursuant to FSC protocols, the 2000 audit was conducted against an “Interim Standard” developed by the accredited certification body, Scientific Certification Systems. While the SCS Interim Standard was expressly endorsed by FSC as in full compliance with the FSC Principles & Criteria, the format of the SCS Interim Standard was quite different from the format of the FSC P&C.

After several years of deliberation conducted by the FSC Pacific Coast Regional Working Group, a Regional Standard was finally produced, endorsed by the Regional Working Group, the FSC U.S. National Initiative and, most importantly, the FSC International Board of Directors. The Pacific Coast Regional Standard was finally ratified in early 2003, several months prior to the initiation of the Washington DNR update audit. Upon ratification, FSC-accredited certification bodies (such as SCS) are mandated to cease using their Interim Standards, in favor of expressly employing the Regional Standard.

Within the context of the SCS protocols, this switch to the Regional Standard meant that conformance must be expressly assessed against all 47 or 56 FSC Criteria (depending upon whether or not the 10th Principle on plantations applies). In determining conformance, FSC audit teams must expressly consider each of the regional indicators that elaborate (i.e., expand upon) each of the Criteria.

Even if there were no significant/salient changes in Washington DNR’s management of the west-side trust forestlands, the advent of the Pacific Coast Regional Standard could lead to a different conformance determination as compared to the judgments rendered in 2000. This is due to the fact that the endorsed Pacific Coast Regional Standard contains numerous specific requirements that were not part of and, indeed, could not have been fully anticipated in any Interim Standard.

1.5 ADMINISTRATIVE CONTEXT

In the collective judgment of the SCS update audit team members, all of whom were members of the 2000/2001 full certification evaluation of the same forest operation, there has been one salient change in the administrative context in which the DNR’s management of the west-side trust forestlands is conducted, as compared to Autumn, 2000 when the initial audit was conducted. That change is that a new Commissioner of Public Lands took office in January 2001. While the legal and statutory context has not changed, the policy context in which state forest management takes place has the potential for significant change under the leadership of a new Commissioner and the new Departmental senior staff that serves under the Commissioner. The audit team endeavored to ascertain the possible implications of policy changes instituted by the present Commissioner, in terms of conformance to the FSC Pacific Coast Regional Standard.

The reader is referred to the February 2001 full certification evaluation report issued by SCS and released by The Pinchot Institute for a summary of the administrative context.

Pertinent Regulations at the Federal Level:

- Endangered Species Act
- Clean Water Act
- Forest Resources Conservation and Shortage Relief Act
- Archeological and Historic Preservation Act

Pertinent Regulations at State and Local Level:

- Public Lands Act RCW-79
- State Environmental Policy Act (SEPA)
- Washington State Forest Practices Act
- Hydraulic Approval Act
- State Multiple Use Act

1.6 PRODUCTS PRODUCED

Logs generated from the harvest of approximately 10 species of commercial western softwoods, including: Douglas-fir, Grand fir, Western hemlock, Western red cedar, Lodgepole pine, White pine, Western larch

1.7 CHAIN-OF-CUSTODY - TRACKING, TRACING AND IDENTIFICATION OF PRODUCTS

Relative to the circumstances observed in Fall, 2000, there have been no changes in the procedures employed by Washington DNR to track the flow of wood products harvested on the west-side trust forestlands, from “stump to forest gate.” See the prior report full certification evaluation report for a discussion of chain-of-custody certification procedures.

1.8 OTHER ACTIVITIES

Summary of other activities being undertaken within the defined forest area:

- Outdoor recreation, such as motorized vehicle use, hunting, fishing, boating, mountain biking, horseback riding, hiking, camping. DNR maintains a number of primitive campgrounds and an extensive network of trails. Volunteer crews and hosts are also called on to help manage these activities
- Collection of non-timber forest products, such as boughs, florals, mushrooms
- Firewood cutting and gathering
- Traditional/cultural activities by Native Americans, such as bark stripping
- Research on various natural resource management issues
- Gene pool reserves and research
- Gravel digging
- Bio-solid disposal and management
- Spiritual activities
- Hunting and fishing. DNR also maintains several trails for disabled hunters

- Commercial tourism, including bicycle and horseback outfitters

2.0 THE UPDATE EVALUATION PROCESS

2.1 ASSESSMENT DATES

Prior Full Certification Audit (field component): September, 2000

Update Audit: August 3-8, 2003

2.2 ASSESSMENT TEAM

To afford maximum consistency and continuity with the original certification evaluation, the same experts that comprised the 2000 evaluation team were re-convened for this update audit.

Dr. Robert J. Hrubes, Team Leader: Dr. Hrubes is a California registered professional forester (#2228) and forest economist with 27 years of professional experience in both public and public forest management issues. He is presently Senior Vice-President of Scientific Certification Systems. In addition to serving as team leader for the DNR trust forestlands update evaluation, Dr. Hrubes worked in collaboration with other SCS personnel to develop the programmatic protocol that guides all SCS Forest Conservation Program evaluations. Dr. Hrubes has previously led other SCS Forest Conservation Program evaluations of North American industrial forest ownerships, as well as operations in Scandinavia, Chile, Australia and New Zealand. As the DNR trust forestlands update evaluation team leader, Dr. Hrubes is the principal author of this report. Dr. Hrubes holds graduate degrees in forest economics, economics and resource systems management from the University of California-Berkeley and the University of Michigan. His professional forestry degree (B.S.F.) was awarded from Iowa State University. He was employed for 14 years in a variety of positions ranging from research forester to operations research analyst to planning team leader by the USDA Forest Service. Upon leaving federal service, he entered private consulting from 1988 to 2000. He has been Senior V.P. at SCS since February, 2000. A copy of Hrubes' C.V. is appended to this report

Mr. Chris Maser: Chris Maser has spent over 25 years as a research scientist in natural history and ecology in forest, shrub steppe, sub-arctic, desert, coastal, and agricultural settings. Trained primarily as a vertebrate zoologist, he holds B.S. and M.S. degrees from Oregon State University. He has worked as a research mammalogist in Egypt and was a research mammalogist in Nepal. He was a research ecologist with the U.S. Department of the Interior, Bureau of Land Management for twelve years and a landscape ecologist with the Environmental Protection Agency for one year (1990-1991). Presently, Mr. Maser is an independent author as well as an international lecturer, facilitator in resolving environmental conflicts, vision statements, and sustainable community development, and an international consultant in forest ecology and sustainable forestry practices. He has written over 260 publications, including numerous books, such as: "The Redesigned Forest" (1988); "Forest Primeval: The Natural History of an Ancient Forest" (1989); "Global Imperative: Harmonizing Culture and Nature"

(1992); "Sustainable Forestry: Philosophy, Science, and Economics" (1994); "From the Forest to the Sea: The Ecology of Wood in Streams, Rivers, Estuaries, and Oceans" (1994, with James R. Sedell); "Ecological Diversity in Sustainable Development" (1999); "Forest Certification in Sustainable Development" (2000, with Walter Smith). He has worked in Canada, Egypt, France, Germany, Japan, Malaysia, Nepal, Slovakia, Switzerland, and various settings in the United States.

Mr. Steve Smith: Stephen Smith is presently employed by the USDA Natural Resource Conservation Service as a county agent in Colusa County, California. Prior to assuming his present position, Steve was the senior forestry auditor for field operations of SCS' Forest Conservation Program. Before working with SCS, he worked with the non-profit Institute for Sustainable Forestry, using FSC guidelines to educate landowners about sustainable forest practices. He is also an owner-operator of an independent, full services consulting firm that specializes in watershed and forest management, land use planning, reforestation, erosion control and urban-rural problem solving. His past public service includes being the City forester for San Francisco, in charge of all forestry activities in San Francisco's 200 parks and open spaces. As the regional forester for the State of California, he initiated and managed the regional forest improvement programs and oversaw forest practice concerns for timber harvests and prescribed burns. Stephen Smith has a BS degree from the University of California at Berkeley, is a registered professional forester (RPF #1886) in California, and is a certified soil erosion and sediment control specialist (CSESCS#212)

Ms. Karen Steer: Karen Steer is a social ecologist with 10 years of experience in natural resource management, particularly focused on natural resource-dependent communities. She is a Program Officer for the Healthy Forests, Healthy Communities Partnership, a regional initiative of Sustainable Northwest, a non-profit organization dedicated to promoting environmentally sound economic development in communities of the Pacific Northwest. Prior experiences include positions with the Wilderness Society, the National Park Service Social Science Program, the U.S. Army Corps of Engineers community impact assessment for the Lower Snake River Juvenile Salmon Migration Recovery Feasibility Study, and the Peace Corps in Honduras, where she served for three years as a Protected Areas Consultant. Karen holds a B.S. in Environmental Science and a Masters degree from Yale School of Forestry and Environmental Studies.

2.3 UPDATE AUDIT PROCESS

As the purpose of the audit activities undertaken was to provide an update of the full certification evaluation conducted during the Autumn of 2000 and addressed in the February, 2001, report, the following analytical steps were completed:

- A contract was executed between SCS and The Pinchot Institute to provide follow-up certification evaluation services, focusing on the west-side trust forestlands managed by the Washington Department of Natural Resources
- Four of the five members of the 2000 audit team were reconvened to conduct the update audit

- Initial telephone interviews were conducted between the SCS Lead Auditor, senior DNR staff and Pinchot Institute representatives
- The update audit team members were provided with extensive additional program documentations describing current activities on and policies applying to the subject forest area
- Thirty-days prior to the field phase of the update audit, a public notice was broadly circulated, announcing the upcoming audit work and soliciting stakeholder comments
- A 5-day field reconnaissance was laid out and completed⁵, enabling the audit team to:
 - interview a full compliment of DNR personnel from all five west-side administrative regions as well as Headquarters staff in Olympia
 - observe field operations and forest conditions
 - interview, in face-to-face meetings as well as over the telephone, a representative cross section of stakeholders, most of whom had been interviewed during the original evaluation in 2000
- After the field reconnaissance, additional telephone interviews were conducted with key DNR staff as well as additional stakeholders
- Based upon information gathered and judgments formed on the basis of document review, stakeholder consultation and the field reconnaissance, the audit team completed the FSC-accredited scoring protocols employed by SCS audit teams to determine the level of compliance with the relevant certification standard, which in this case is the FSC Pacific Coast Regional Standard.
- Finally, this certification report was prepared under the lead authorship of Dr. Hrubes but in active collaboration with and contributions from all team members

The field reconnaissance portion of the update audit took place during the week of August 4, 2003 and included a variety of sites designed to illustrate a cross-section of stand types and treatments, focusing primarily on harvests and other site-disturbing activities conducted within the last three years.

Monday, August 4:
A.M.

Office Interview and Document Review Topics, Olympia Office

- Human Resources:
 - Significant downsize in staff (167 reduced FTEs), though productivity is up.
 - Recreation and Natural Areas program has received significant budget reductions
 - Public use/information cut
 - Most budget/staff reductions were taken at Headquarters⁶, not in the field
 - Human resources issues related to downsizing has been dealt with very well
 - Opportunities for competitive contracting
 - Employee turnover remains low

⁵ The audit team wishes to acknowledge and express appreciation for the key role played by Peggy Murphy, who reprised her role as DNR liaison to this certification project, in setting up the Headquarters Office interviews and the field itinerary.

⁶ While it is directly relevant to the management of the trust forestlands, staff reductions at Headquarters have led to the elimination of the small landowner program, which provided assistance to non-industrial private forestland owners.

- Land Management and Sustainable Harvest
 - Working with federal and state agencies to meet and modify HCP
 - Assessing ability to manage vegetation in NRF
 - Evaluating work and research with Marbled Murrelet
 - Engaged in recalculation of sustainable harvest. 6 alternatives developed
 - Status of landscape planning initiative
- Financial Update:
 - \$2.6 billion deficit in the state; \$4.8 million reduction to DNR
- Public Use: Significantly downsized public use program
 - Many parks closed; some have been able to reopen recently
- Marketing:
 - Lump sum versus scale-based timber sales
 - More contract harvesting
 - Diversification of products (such as alder)
 - Post and pole sales
 - Increased efforts to sell to small and local buyers
 - Court decision: Cannot have set-asides for locals (Skamania 1985)
 - Commercial thinning increased

P.M.

Office Interview Topics, Continued

- Operations:
 - More transparency and inclusivity in operations, compared to prior administration. Before (circa 2000): “lots of rude policy surprises”
 - Improved relations with tribal, environmental, trust and other stakeholders
- Public Use:
 - General funds for public use cut, but grant funding (NOVA) still available for this year only
 - Staff reduced in Olympia, but not in field
 - Still not charging fees (liability issues)
 - Volunteer coordinators still in regions
 - Change in policy: before public use was seen as a ‘problem’, now it is perceived as a good thing
 - Still no finished/implemented public use policy
- HCP/biological considerations:
 - Still don’t have more biologists, but relations have improved between biologists and Olympia.
 - Marbled murrelet summit to take place (strategy, size, scientific info sharing)
 - Modifications to and development of murrelet, owl and riparian procedures under discussion
 - Biologists want to implement the intent of the HCP. “In Belcher’s time, went above and beyond HCP in terms of owl circles. Now, trying to implement HCP correctly, so can have less owl circles, so phase them out”
 - Still working on good riparian procedure.
 - 150-200 feet beyond the 100-year flood plain: fish bearing
 - 50-100 feet beyond the 100-year flood plain: non-fish bearing
 - HCP monitoring more centralized now than before. This allows for greater consistency
 - Funding secured for HCP monitoring
- Public Involvement:
 - Maximum public involvement on SEPA is done (go beyond the 14-21 day period); Pre-SEPA involvement also conducted

- During BNR meetings, public comment is taken
- Website is used a lot more to engage/educate public
- Less polarization with stakeholders than several years ago
- Tribal relations:
 - Tribal relations continue to improve.
 - Some regions are better than others (Olympic and NW are good; others are not as good)
 - Good access to resources and protection of resources
 - Main tribal issues are not cultural/access, but related to riparian management (e.g., culverts,)
- Technology/video conferencing

Tuesday, August 5

A.M.

Field Visits and Topics Discussed in Southwest Region

- Discussion of large woody debris and relation to HCP requirements; concern that not enough left on-site
- Regeneration after harvest
- Increased thinning as silvicultural prescription
- Community involvement in timber sales
- Local benefits from forest include recreation opportunities, firewood collection
- Importance of landscape planning
- Importance of local knowledge in planning, and difficulty with this due to layoffs
- Leave trees – ten percent of basal area left (8 trees per acre)
- Discussion about quality of information going into sustainable harvest recalculation process; concern that recalculation will affect region considerably
- Elimination of 50/25 rule will allow for more flexibility to do silviculture
- Increased inmate use in replanting, maintenance and other service work, due to budget cuts
- Effects of lumping together trust groups
- Snags – appears to not be enough left on site

P.M.

Office Interview Topics Discussed in Southwest Region—Castle Rock

- Staffing levels and workload
- Employing new communication technologies to overcome staff reductions and closures
- Transition away from interim resource management strategies
- Closure of work centers due to budget constraints
- Pending merger of Central and Southwest Regions
- Anticipated policy changes such as 50/25 rule

P.M.

Field Stops and Topics Discussed in Central Region

- Discussion of recalculation and HCP
- Harvesting practices: 8 leave trees per acre, average cut is 75 acres
- More commercial thinning
- Large riparian buffers
- Community relations improving; relations with Olympia improving

Wednesday, August 6

A.M.

Field Visits and Topics Discussed in Central Region

- Visit to “Junior” sale to discuss in-stand retention
- Efforts and remove barriers to fish passage
- Management activities in RMZs
- Visit to “Slip Knot” sale: retention in cut blocks, RMZ management, size of regeneration harvest openings
- Visit to Copper Ridge: cooperative research, group selection, delayed overstory removal, visual corridor management

P.M.

Field Visits and Topics Discussed in South Puget Sound Region

Tour of Rainier District

- Average cut block is 75 acres; 8 leave trees per acre (use this rather than 7% retention).
Leave trees are approx. 16-18 inches dbh
 - a. Must justify reasons for leaving more trees than required
- One biologist in the region. Biologist checks every timber sale
- Change in structure of managing for special forest products (will try cooperative model)
- Good relations with tribe, though interaction isn’t as strong as other regions due to relevancy in the region
- DNR maintains a list of culturally-important sites and manages accordingly
- Staff cutbacks have not had adverse effect on the region

Thursday, August 7

A.M.

Field Visits and Topics Discussed in South Puget Sound Region

- Discussion of Tiger Mountain – good community/public relations, advisory group running well
- Improved relations with Olympia; more flexibility now
- Recalculation: field staff were able to offer advice and input on drafts. First drafts have numbers too high, in current view of some field staff
- Difficulty in regulating ORV use
- Tribal issues not really relevant in this area
- Special forest products issues not really relevant in this area
- Landscape planning initiative aborted, though still plan on landscape level
- Discussion of 50/25 rule and rain on snow
- Discussion of policies (HCP and Forestry handbook)
- Visit to Marckworth Forest: road system management, application of bio-solids
- Recent land acquisitions
- Leave trees in regeneration harvest units, relative to the 8TPA standard
- Visit to Cherry Falls sale: regeneration harvest, net versus gross sale area, avoidance of unstable areas
- Discussion of the current state of landscape planning
- Accuracy of the “on-base” land area
- Discussion of management challenges in Elbe Hills unit
- “HCP+” vs. “HCP”
- Status of biologist positions in the department
- Visit to “Mossy Grow” sale: effect of green retentions on growth of next crop, net versus gross sale area
- Visit of “4 Corner Combo” sale: commercial thinning regimes, merchandising of cedar poles, review of the harvest mark

P.M.

Field Visits and Topics Discussed in Northwest Region

- Road management: maintenance, reduction in total miles
- Visit to Upper Echo timber sale
- Harvesting in NRF
- green leave tree levels
- Field input into SHC process

PM Meeting Topics in Forks with Staff and Members of the City Council:

- Issues related to hazardous fuels reduction, insufficient management of hazardous fuels, limited infrastructural capacity to handle fires, insufficient fire breaks
- Forest health problems
- Under-harvesting, “her imminence wrote rules above and beyond HCP, with owls and green-up maps”
- Recalculation is promising but slow
- Landscape planning aborted, though it’s a requirement
- Public involvement problems – only involve those who can help with SEPA and not representatives of trust beneficiaries
- Problems with financing beneficiaries (local hospital)
- Murrelet strategy inadequate (too strict)
- Riparian strategy goes above what is required in HCP
- Lake Whatcom plan too restrictive
- DNR communication with trust beneficiaries inadequate

Friday, August 8

Office and Field Visit Topics Discussed in Olympic Peninsula Region

- Focus on building and maintaining relations with tribes
- Improving access to tribes (sharing of gate keys)
- Staff reductions (120 to 99 FTEs), but now more sharing of office personnel with South Puget—local reaction to remote location of engineering services
- Efforts to avoid further reduction of field positions
- Market issues: wood prices are low, looking for innovative market strategies, “black box” for value-added production
- Landscape planning in the Olympic Experimental Forest as a possible template for other regions
- Visit to “Wisen Creek” sale: variable width RMZs, gross versus net sale area, actual harvest versus sustainable harvest level in this region
- Management of old growth: current practices preclude harvesting of old growth, but if there is a change in Handbook “procedures and tasks⁷,” then harvesting could occur

⁷ In the formal nomenclature established by DNR’s governing statutes, and as is found in the Forestry Handbook, terms such as “procedure” or “task” are used in a manner that the lay public may commonly refer to as “policy.” In the DNR nomenclature, “policy” is set by the Board of Natural Resources while the Commissioner can establish handbook-based additional guidance in the form of “procedures” and “tasks.”

- Visit to Hoh-Clearwater tract: “H110” thinning operation—commercial thin in a 40 year old stand, thinning up to stream bank
- Cessation of prior efforts to convert alder stands
- Browsing impacts of elk
- Trend towards regeneration harvesting of younger stands
- Visit to “Elk Creek” sale: 8-year old thin

Points Raised during Meeting with Mayor:

- Too much decision-making control given to “I-5 environmentalists”
- Timber sales essentially no longer offered, only commercial thinning. More can be harvested
- Community concern about job loss, hospital finances, and no mitigation strategies
- HCP needs economic analysis
- Working with DNR to develop a timber sale to help the hospital
- Staff reductions have hurt morale of all of community; community needs those jobs
- Possibilities of developing value-added manufacturing in industrial park; separate from DNR plan to do the same
- Consistent supply needed to support local manufacturing businesses

2.3.1 Justification for selection of items and places inspected

The field itinerary was expressly designed so as to afford the evaluation team with a broad exposure to Washington DNR’s west-side forest estate and management activities undertaken thereon. The evaluation team was satisfied that the on-site field inspections of the forest operation were sufficient in scope and intensity for reaching informed assessments of changes in the DNR trust land management activities since 2000 and, as well, the implications of changes in the standards of certification since 2000. The team spent field time in each of the regions that were visited during the initial full audit, in 2000. The team was able to observe recent and older harvesting and road building operations in order to assess current management activities, programs and policies relative to the current standards of FSC certification (Pacific Coast Regional Standards).

2.4 STAKEHOLDER CONSULTATION

Identification of Stakeholders Influenced by the Enterprise

As this was an update audit following upon the previous full certification evaluation, the SCS audit team was already quite well informed as to the range of stakeholders that are actively interested in the management of the west-side trust forestlands. The fact that one of the social scientists that served on the 2000 audit also served as a member of the 2003 audit team meant that the SCS audit team did not “start from scratch” in terms of identifying and contacting interested stakeholders. In preparation for the update audit, an expanded and updated list of stakeholders received a public notice as to the pending project. The mailing listed included but was not limited to the members of the Pacific Coast Regional Working Group.

2.4.1 Summary of Legal and Customary Use-rights

As public land, the general public has legal access, within the constraints of trust management considerations, to the entire defined forest area, for general recreation and non-commercial

activities. To protect resources and public safety, DNR is authorized to regulate and/or prohibit some public uses (e.g., motorized vehicles, hunting, firewood and special forest products harvest) in some areas or seasons. DNR must manage trails, lands, campgrounds, and resources for multiple public uses in a manner that does not negatively impact current and future trust beneficiaries.

Native Americans indigenous to the region have historically used the defined forest areas for cultural and subsistence activities, such as hunting, bark peeling, regalia storage and vision quests. They also rely on the defined forest areas for maintenance and stewardship of species (and habitat) of significance to their tribes, such as salmonids.

2.4.2 Names, Affiliations and Contact Details (If Available) of People Consulted

Prior to, during, and following the site evaluation, a wide range of stakeholders from the regional area were consulted in regard to their relationship with the Sample Company, and their views on the management of the Sample Forest. Stakeholders included FSC contact persons and regional working group members, government and non-government organizations involved in forest management, local citizens and groups, trust beneficiaries, employees, contractors, and others. Stakeholders were contacted with a notification mailing soliciting comment and/or phone contact. Comments were received via meetings and personal interviews “face-to-face”, phone interviews, and through written responses.

DNR Staff, Olympia:

Doug Sutherland, Commissioner
Bruce Mackey, Lands Steward
Craig Partridge, Policy Director
Bob VanSchoorl, Budget Director
Mark Andrews, Human Resources Division Manager
Angus Brodie, Assistant Div. Manager Data Stewardship
Pete Holmberg, ADM Silviculture
John Baarspul, Land Management Division Manager
Howard Thronson, Product Sales and Leasing Div. Manager
Jon Tweedale, ADM Product Sales
Jack Hulsey, Upland Region Operations Manager
Pene Speaks, ADM Natural Heritage Conservation
Tami Riepe, ADM Habitat Conservation Planning
Simon Kihia, HCP Monitoring Manager
Todd Meyers, Communications Director
Patty Henson, Constituent Relations Mgr.
Sonny Davis, Tribal Relations
Peggy Murphy, 2003 Certification Update Coordinator. & 2000 Certification Project Mgr.
Richard Bigley, HCP Research and Adaptive Mgt. Scientist

DNR Staff, Field Offices:

Southwest Region:
Florian Diesenhofer

Central Region:
Jim Hotvedt

Colin Robertson
Eric Wisch
Ron Schuttie
Ray Lasmanis

Matt Miscovic
Tom Poch
Sarah Thirtyacres
Koshare Lormicke

South Puget Sound Region:

Bob Brown
Herb Cargill
Heather MacPherson
Ted Keeley
Brian Ballard
Audrey Steward

Northwest Region:

Brian Davis
Laurie Bergall
Jessica Karste

Olympic Region:

Charlie Cortelyou
Scott Horton
Mark Johnson
Brian Turner

Other Stakeholders:

Note: The audit team attempted to contact the following stakeholders, via email, phone calls or face-to-face meetings. The audit team was not able, in every instance, to make contact.

Bob Spar	Chehalis City Mayor
Phil Arbiter	Former Forks City Mayor
Rod Fleck	Forks City Attorney
Bill Peach	ITT Rayonier
Becky Kelley	Washington Environmental Council
Allen Soicher	Community Land Trust/Whatcom County
Marcie Goldie	Washington Environmental Council
Mike Currie	Former Office of Washington Superintendent of Schools
Gordon Pogarelli	Owner, POS Poles
Carol Palmer	Yakama Nation
Mel Moon	Quileut Tribe Natural Resources Director
Ned Currants	Nooksak Tribe Habitat Biologist
Jill Silver	Hoh Tribe Biologist
Paul Kennard	Former Washington Forest Law Center Scientist
Kirk Hanson	Family Forest Foundation
Jim Matthews	Yakama Nation, Timber Fish and Wildlife
Nelda Reed	Mayor, Forks
Will Hamilton	Independent Forest Products Association
Dennis Hadler	Commissioner, Lewis County
Brad Kahn	Program Manager, Pyramid Communications

2.4.3 Summary of Stakeholder Concerns and Perspectives and Responses from the Team Where Applicable

With a focus on specific changes in land management and stakeholder relations perceived since the prior assessment, the following is a summary of the perspectives expressed by stakeholders consulted during the evaluation:

Environmental Groups

- Concern that allowable harvest recalculation will result in increased (and unsustainable) harvest, harvest in riparian areas and owl circles, decreased average rotation age and increased cut blocks
- Allowable harvest recalculation will not be based on sound science, but on erroneous assumptions and desire to increase harvest targets
- Environmental preference is Alternative 4; Industry preference is Alternative 5
- Dissatisfaction with the lack of progress in and commitment to landscape planning
- Unsure about whether there are old growth sales; still concerned that old growth still not set-aside.
- Ongoing problems related to riparian management (stream classification)
- Rotation age still too short
- Improved morale and public involvement
- SCS Certification report/invitation to become certified should have defined 'shelf-life'
- Perspective of HCP has improved (having it is better than not having it); concern that current administration will dilute use of HCP/not go beyond what is required in HCP
- Concern about logging in owl circles
- Concern that landscape planning process was cut short
- Concern that contemplated changes in silvicultural policies will lead to undesirable results without clear guidance provided by an operational landscape planning methodology

Community Groups & Local Residents (including Trust Beneficiaries)

- The DNR continues to harvest at rates lower than practical. This deleteriously impacts community jobs, raw material available for processing, and funds to beneficiaries
- DNR goes above what is required by law in terms of ecological protection
- Public use remains available and adequate
- DNR policies are overly driven by urban-based environmental groups
- DNR staff have greater flexibility and responsibility now; there is less feeling of micro-management
- Community relations are the same or better; DNR seems to have a better understanding of public involvement
- DNR could do more to offer sales to locals
- DNR does not adequately address hazardous fuels reduction issues in terms of management and available equipment/infrastructure
- Smaller, more rural communities with a long tradition of natural resource-based livelihoods are concerned that DNR is not committed to increasing/maintaining harvest levels (which they perceive can be done in a sustainable fashion); On the other end of the spectrum,

urban, larger or other communities with more diversified economies are concerned that DNR is not committed to protecting and conserving forest resources, environmental services and other amenities.

Governmental Agencies

- Concern over contemplated policy changes that would lead to less precautionary management

Tribal Representatives:

- Concern about potential changes in forest management based on alternative chosen in harvest recalculation
- Current administration is attempting to dilute HCP
- Concern about management of Type IV streams
- Concern that some acres are still considered on-based (culturally-significant, old growth, for example)
- Concern about roads (best management practices)
- Concern that not all regions/districts are meeting water quality standards for the state; better practices need to be institutionalized
- Replacement of culverts could use improvements (gravel, re-vegetation, better assessment of bottom sediments)
- DNR staff appear more content and happy under current Commissioner; staff have changed for the better
- Pressure on field staff from Olympia office to harvest as much as possible (limit green tree retention, rotation size and age to that which is required)
- Staff biologists still feel pressure to sign timber sales that might be in ecologically-sensitive areas (owl or murrelet presence)
- Murrelet model is inadequate and biologists are finding them in non-murrelet areas
- Current Commissioner is more personable and interactive
- In general, tribal relations have improved
- Some regions are working better with tribes than others; joint-projects, communications, etc.
- DNR is still not willing to go far out of their way to modify management based on tribal (ecological) concerns

2.5 GUIDELINES/STANDARDS EMPLOYED

For purposes of determining the applicable FSC standard, the State of Washington is located in the “Pacific Coast Region,” one of 9 regions delineated by the FSC in the U.S. This update audit, therefore, was conducted against the duly-endorsed *FSC Pacific Coast Regional Standard*. The standard is available at the FSC-US web site or is available, upon request, from Scientific Certification Systems.

Notably, the endorsed (final) version of the Pacific Coast Regional Standard did not exist at the time of the 2000 certification audit. The 2000 audit was conducted against the SCS Interim Standard for Forest Stewardship, as duly accredited by the FSC.

2.6 SCORING PROCESS

Consistent with SCS Forest Conservation Program evaluation protocols, for decision-making purposes (i.e., determining conformance with the FSC Pacific Coast Regional Standard) the audit team, first, collectively generated weights of relative importance to the Criteria within each of the ten Principles. Development of weights of relative importance for each set of Criteria (one set per Principle) is accomplished through use of the FSC-accredited PAIRWISE decision-support methodology that SCS employs. See the SCS Forest Conservation Program Operations Manual for a discussion of this weighting methodology.

Performance scores were assigned to each Criterion at the completion of the field phase and importance-weighted means (average scores) were calculated for each Principle. Scoring takes place on a 100-point scale, using a consensus process amongst all members of the evaluation team. In assigning scores, the audit team expressly considered each of the indicators associated with each Criterion, as elaborated in the Pacific Coast Regional Standard. Scores less than 80 points connote performance in which there is discernible non-conformance to the breadth of a Criterion. For any Criterion for which the team assigned a score below 80 points, the team is required to specify one or more Corrective Action Requests (CARs), also known as “conditions.” If the weighted average score of any Principle is less than 80, certification cannot be awarded and, instead, the evaluation team must stipulate one or more Major Corrective Action Requests (Major CARs), also known as “pre-conditions.” The evaluation team also retains the option to specify “discretionary CARs” even when the score for the pertinent Criterion is above 80 points. This may occur when, overall, the Criterion is scored above the 80-point threshold but where there are issues within the scope of a Criterion where important improvements are, in the judgment of the team, necessary even though these deficiencies are not severe enough to move the score below 80 for the totality of the Criterion. For certification to be recommended, the importance-weighted average score for each of the 10 FSC Principles must be 80 points or higher.

Interpretations of Preconditions (Major CARs), CARs and Recommendations

Preconditions/Major CARs: These are corrective action requests that must be resolved or closed out prior to award of the certificate. These arise when the importance-weighted average score for a Principle is less than 80 points or where there is observed non-compliance with a “pre-emptive” indicator (e.g., use of GMOs is a “fatal flaw” that precludes award of certification regardless of the strength of the overall management program).

CARs: Corrective action requests must be closed out within a specified time period of award of the certificate. Certification is contingent on the certified operations response to the CAR within the stipulated time frame.

*Recommendations*⁸: These are suggestions that the audit team concludes would help the forest managers move even further towards exemplary status. Action on the recommendations is

⁸ Due to the nature of this update audit, in which DNR has made it clear that it will not considering engaging in FSC-endorsed certification until next summer at the earliest and that it was interested at this time in what would be

voluntary and does not affect the maintenance of the certificate. Recommendations can be changed to CARs if performance with respect to the criterion triggering the recommendation falls into non-compliance.

3.0 RESULTS, CONCLUSIONS AND RECOMMENDATIONS

Note: The findings discussed in this section and presented in more detail later in the report are based upon circumstances observed during August, 2003. To the extent that DNR initiates significant changes in pertinent programs, policies and practices in place at the time of the audit, the team's findings may no longer be valid.

As is detailed below, the results of the August 2003 update audit reveal that were DNR to seek certification at this time, Major Corrective Action Requests would first have to be cleared. That is, DNR's management of the west-side trust forestlands does not presently conform at a sufficient level to the FSC Pacific Coast Regional Standard. While there are many, indeed most, aspects of the DNR's management program that can be categorized as in conformance with the Regional Standard, strength with regard to one FSC Principle cannot offset or subsidize weakness with regard to another FSC Principle. That is, the threshold for FSC certification requires overall exemplary performance with respect to each of the FSC Principles. Based upon circumstances observed in August 2003, the audit team concludes that DNR's management programs, policies and practices are not in sufficient conformance with the affirmative requirements regarding the definition, assessment, management and monitoring of areas of high conservation value, as elaborated in FSC Principle 9, and as indicated by a weighted average score for the Principle that is less than the 80-point threshold for achieving certification.⁹ Inadequate conformance was found for 3 of the 4 criteria within this FSC Principle.

While observed deficiencies with respect to the other FSC Principles do not constitute barriers to achieving certification at this time, the audit team did conclude that DNR's current programs, policies and practices are (marginally) below the threshold of certifiable performance for 7 additional FSC Criteria (out of 45 total Criteria that were scored), associated with FSC Principles 1 (compliance and commitment to the P&C), 4 (community relations & worker rights), 5 (benefits from the forest), 7 (management planning) and 8 (monitoring). But for each of these Principles, strengths in other aspects of the scope covered by each Principle were sufficient to offset the observed (marginal) non-conformances such that the team found adequate overall conformance with each of these Principles. However, with respect to Principles 5, 7 and 8, overall conformance is judged to be very marginally above the threshold of certifiable performance. Accordingly, any changes in management programs, policies and practices in a manner and direction away from the performance expectations embodied in the FSC Pacific Coast Regional Standard would likely render DNR to be in non-conformance with these three additional Principles.

required to achieve certification, the audit team concluded that specifying recommendations in this report was unnecessary and inappropriate.

⁹ DNR's non-conformance with this Principle is shared by other FSC certification applicants and certificate holders, reflecting the increased emphasis placed on HCVF by the FSC and, by extension, the certification bodies. Over the past season of certification audits, SCS has issued other Major CARs to certification applicants because of gaps relative to P9 and we have also issued several CARs as part of annual audits and 5-year recertification audits.

Table 3.1, below, contains the audit team's findings as to the strengths and weaknesses of the DNR's management of the west-side trust forestlands relative to the FSC Principles of Forest Stewardship, as further elaborated by the Pacific Coast Regional Standard. The table also presents the calculated performance scores for each Principle as well as the Corrective Action Request (CAR) numbers related to each Principle.

**TABLE 3.1 NOTABLE STRENGTHS AND WEAKNESSES OF THE FOREST MANAGEMENT ENTERPRISE
RELATIVE TO THE P&C**

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	Performance Score and CARs
P1: FSC Commitment and Legal Compliance	<ul style="list-style-type: none"> ▪ WADNR has a strong track record of compliance with the state forest practice regulations ▪ Management is conducted with full public disclosure; documentation is readily available and public comment protocols are actively employed ▪ Management of the trust lands is conducted in a business-like fashion ▪ DNR takes active measures to limit unauthorized and illegal use of the trust forestlands, utilizing measures such as gates and “tank traps” 	<ul style="list-style-type: none"> ▪ Due to budgetary shortfalls, the resources devoted to law enforcement and recreation use management have not kept pace with increasing use levels and patterns. 	<u>86</u>
P2: Tenure & Use Rights & Responsibilities	<ul style="list-style-type: none"> ▪ There is no question as to the legal rights of DNR/BNR as trust managers for the state trust forestlands • DNR engages in many forms of stakeholder outreach and interaction ▪ The legal system provides a dispute resolution mechanism of final resort for stakeholders with grievances; DNR appears committed to avoiding lawsuits through negotiation and accommodation ▪ DNR has a strong track record of allowing customary and lawful uses of the trust forestlands 	<ul style="list-style-type: none"> • DNR does not have an agency-level formal dispute resolution mechanism that is expressly responsive to this criterion. • As part of the budgetary negotiation process in early 2003, several campgrounds were kept closed during the early part of the recreational season. 	<u>89</u>

P3: Indigenous Peoples' Rights	<ul style="list-style-type: none"> • DNR invites the participation of tribal representatives in management planning—the tribes are “invited to the table” • Generally, resources of concern to neighboring tribes (such as salmonids) are being afforded adequate protection from site disturbing activities • Despite staff downsizing at headquarters, the position of tribal liaison has been secured 	<ul style="list-style-type: none"> • Some tribal members remain concerned over specific timber sales. • Consideration of tribal issues, and overall tribal relations, are not consistent across regions. 	<u>87</u>
P4: Community Relations & Workers' Rights	<ul style="list-style-type: none"> • Field personnel are well aware of L&I issues • Generally, DNR has a very good safety track record • In the face of budget-induced reductions in recreation staff positions, DNR is more actively and extensively pursuing cooperative efforts with volunteers and user groups • There is no prohibition on the rights of DNR employees to organize and collectively bargain • The general tenor of relations with stakeholder groups appears to have improved as compared to 3 years ago, though the outcome of the SHC process is likely to lead to disaffection on one side of the spectrum or the other • Where situations arise, DNR has worked with tribes and local communities resolve grievances and mitigate damage from activities • The legal/judicial system operating in the State of Washington provides an avenue of recourse to resolve grievances and disputes. 	<ul style="list-style-type: none"> • Staff reductions in small rural communities (e.g., Forks) have an effect on the community's economic well-being. 	<u>86</u> CAR 2003.1

<p>P5: Benefits from the Forest</p>	<ul style="list-style-type: none"> • Through aggressive fiscal management, expenditures are now in line with revenues • DNR is pursuing innovative funding mechanisms such as the planned Legacy Trust. • DNR has concentrated most of the RIF-induced position eliminations in the headquarters office, generally sparing field positions from elimination • New markets are being explored and tapped into (post and poles, ex) • A marketing strategy is being developed • Contract harvesting is a promising economic opportunity • Recreation opportunities are abundant and contribute to the local economy through outfitters/guides, sale of provisions, other amenities • The HCP is valuable in providing a safety net for conservation (this should not suggest that the HCP provides only a minimum level of conservation protection but that, due to it being a legal contract with the federal government, it does constitute a long-term assurance or safety net) • There has been an express effort to solicit the input of field-level personnel in the new sustainable harvest calculation process; most field staff feel that their perspectives as to limits and sideboards are being sought and considered 	<ul style="list-style-type: none"> • There has been a dramatic reduction in budgets available for management of the trust forestlands, over the past 3 years. • Due to budget cuts, DNR has disinvested in public use management. Lack of law enforcement and other public use services has forced DNR to close some recreation sites. • There is no DNR encouragement of local processing. Local, smaller mills often do not have access to the sales due to the size of the contract. (We recognize that such emphases are outside of what DNR, based upon court decisions, understands its trust mandate to be.) • Recreation and public use funding has not kept pace with ever increasing use pressures • Several key/interim policies¹⁰ (e.g., the 50/25 mature forest policy) put in place during the HCP development process and thereafter are now under consideration for being dropped. Rescinding those policies will move DNR towards a less precautionary approach to management. • The current sustainable harvest level, due to the current field-level constraints on harvesting, is not truly sustainable, as widely recognized by field personnel. 	<p style="text-align: center;"><u>81</u></p> <p style="text-align: center;">CAR 2003.2</p>
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¹⁰ The 2003 audit team was informed that these interim policies were adopted without formal scientific or public review.

<p>P6: Environmental Impact.</p>	<ul style="list-style-type: none"> • Project-level impact assessments are standard operating procedure • All environmental assessments are publicly available • The HCP has led to the institutionalization of effective protection measures for owls, murrelets and salmon; in the judgment of the audit team, interim HCP implementation strategies incorporated into the Forestry Handbook clearly augment the level of protection provided by the HCP • DNR is engaged in a very active program to eliminate barriers to fish passage (e.g., at road/stream crossings) • Stands with old-growth characteristics are, for the most part, not being harvested; old growth is also being recreated in some areas (riparian, owl circles/marbled murrelet areas, leave-trees, legacy, etc) • DNR is presently managing 48 preserves, throughout the west side. • Management of reserves appears to be ecologically sound. • DNR has a system of gene-pool reserves. • Old-growth forests and Riparian Zone Management Areas are de facto reserves. • Under the current interim guidelines, streams, rivers, and wetlands are well protected. • There is an aggressive fifteen-year plan being implemented, with the help of the tribes, to replace all culverts that block the passage of fish. • Particularly if trees left in RMZs are counted, the legacy and reserve tree policies are in clear conformance with the leave tree requirements of the Pacific Coast Regional Standard. 	<ul style="list-style-type: none"> • The landscape planning initiative that was a prominent feature in the 2000 audit has been largely abandoned and not yet replaced with a new approach; field staff desire direction from Olympia as to the form and function that landscape planning will take under the new planning regime. • Field biologists are still largely pre-occupied only with endangered species. • Many key/interim strategies (e.g., the 50/25 mature forest component policy and deferral of harvest in owl circles) put in place after initial approval of the HCP are now under consideration for being dropped. It is the judgment of the audit team that rescinding those interim strategies will result in DNR's management of the trust forestlands being less precautionary, • DNR does not have botanists attached to field units. • If DNR were to modify its approach from "HCP+" to the contractual minimums set forth in the HCP, the level of conformance with this criterion could be reduced. • Sixty-year rotations are only marginally sufficient to maintain long-term ecological functions. • DNR is considering both shorter rotations (50 years on the west-side planning units) as well longer rotations, but it is a shift to shorter rotations that would be of concern • There is significant variability across regions in terms of the extent of green tree retention within harvest units. 	<p><u>87</u></p> <p>CAR 2003.3</p>
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P7: Management Plan	<ul style="list-style-type: none"> • DNR has a management plan (as represented through a compilation of planning documents including but not limited to the Forest Resource Plan and the HCP) that meets FSC plan content requirements DNR field personnel demonstrate a high level of general competence and commitment • DNR is concerned about updating its management plan and has focused staff's attention on the sustainable harvest calculation as a guide to support and revise resource planning guidelines. • The extensive expansion of the DNR web site has significantly improved the ease of public access to pertinent documents and information. • As a public agency, there is a high level of transparency of planning documents and supporting materials, as compared to private sector operations. 	<ul style="list-style-type: none"> • The Forest Resource Plan is out of date, as its date of issuance was 1992, which means that most of the analyses supporting the plan were completed over a decade ago • Due to budget cuts, in-service training has been reduced. Field staff in some areas are not up-to-date with current technical knowledge. • The landscape planning initiative that was a prominent feature in the 2000 audit has been largely abandoned and not yet replaced with a new approach 	<u>81</u> CAR 2003.4
P8: Monitoring & Assessment	<ul style="list-style-type: none"> • Greater emphasis is now being placed on HCP-related monitoring activities • Monitoring information on stand conditions and the constraints under the HCP has been integrated in the sustainable harvest calculation. 	<ul style="list-style-type: none"> • On-going monitoring of the multi-species HCP successes or failures, not just habitat, but species numbers and health has not been part of the monitoring program.¹¹ • While monitoring is conducted for HCP, other monitoring needs are not being adequately met, in frequency and intensity. 	<u>80</u> CAR 2003.5 CAR 2003.6 CAR 2003.7
P9: Maintenance of High Conservation Value Forest	<ul style="list-style-type: none"> • Areas possessing high conservation value attributes are being identified, albeit through a relatively ad hoc process • The NAP and the NRCA systems are different both in consultative approaches and conservation intent; both processes, when 	<ul style="list-style-type: none"> • HCVF is not a known term to most DNR staff. The NRCA and the NAP processes and objectives are similar to the FSC HCVF processes, but the differences need to be addressed. 	<u>78</u> Major CAR 2003.1 CAR 2003.8 CAR 2003.9

¹¹ The audit team was informed that species-oriented monitoring is being conducted by other agencies. The audit team is not aware of a publicly available document that comprehensively describes these other monitoring efforts and how they integrate with what DNR is undertaking.

	<p>integrated into a unified HCVF system, can contribute to meeting FSC P9 requirements</p>	<ul style="list-style-type: none"> • DNR is not expressly conducting consultation with respect to HCVF. • DNR has not designed a system that comprehensively defines and delineates areas of high conservation value, per FSC definition. Further, DNR has not developed a comprehensive set of specific measures that ensure the maintenance and/or enhancement of the defined high conservation attributes. • There is no monitoring protocol designed and implemented expressly for assessing the efficacy of management prescriptions designed to maintain identified high conservation values. 	CAR 2003.10
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3.2 CERTIFICATION RECOMMENDATION¹² AND JUSTIFICATION

Based upon the information gathered and observations made, and as is detailed in this report, it is the collective judgment of the audit team that Washington DNR's management of the west-side trust forestlands is not presently in conformance with the Pacific Coast Regional Standard, particularly Principle 9 (High Conservation Value Forests). As such, the team has specified one or more Major Corrective Action Requests that would need to be cleared prior to award of certification.

The audit team is well aware that Washington DNR is not presently interested in proceeding with FSC certification. Nonetheless, we have chosen to identify the subject areas (rather than the express terms) of Major and Minor CARs as if the DNR were prepared to go forward with certification, as that is the best and most explicit means available to us to convey to the DNR the necessary actions that would need to be completed prior to proceeding with certification, were the DNR to decide to do so.

DNR managers and other interested parties should also be aware that these findings (with associated Major and Minor CAR subject areas) are based upon circumstances as observed in August, 2003. Significant changes in observed circumstances (such as changes in policies, practices, prescriptions and field conditions) that are instituted after August, 2003, would require a reconsideration on the basis of additional due diligence. The longer the elapse of time between August, 2003, and the point of time when DNR were to elect to go forward with certification, the greater is the likelihood that another update audit would need to be conducted.

Peer Reviewers

Because of the nature of the audit activities covered by this report, and as reflected in the scope of work budgeted by The Pinchot Institute, this update audit report was not peer reviewed. Were the Washington DNR to elect to proceed with FSC-endorsed certification, this report would need to be peer reviewed.

3.4 CORRECTIVE ACTION REQUESTS

Note: The following Major Corrective Action Request subject area (the full and express terms of the Major CAR are not specified at this time) is associated with FSC Principle 9. A Major CAR is required because the weighted average performance score for that Principle was less than 80, based upon the performance scores assigned to each of the Criteria that comprise Principle 9.

Major CAR 2003.1: Prior to award of certification, DNR will need to prepare and make substantive progress in implementing a HCVF "action plan" that fully responds to the expectations placed upon FSC-certified forest managers, as described in Principle 9, its attendant Criteria and the additional Pacific Coast regional indicators

¹² Under SCS/FSC protocols, audit teams do not render formal certification decisions; that responsibility rests with the SCS Certification Committee. Rather, the audit team formulates a recommendation that is centrally considered by the SCS Certification Committee.

Note: The following (minor) Corrective Action Request subject areas (the full and express terms of CARs are not specified, at this time) are triggered by or correlated to each FSC Criterion for which the audit team assigned a score less than 80 points or where the team concluded that a discretionary CAR is justified despite a score for the totality of a Criterion exceeding 80 points.

CAR 2003.1: Develop and implement structured social impact assessment protocols

CAR 2003.2: Expeditiously complete the sustainable harvest re-calculation process such that the results do not depart from the levels of environmental protections presently employed in managing the trust forestlands

CAR 2003.3: Institute a transparent, well-documented, iterative and reasonably decentralized landscape planning process, the results of which are utilized to appropriately balance and modify “top-down” allowable harvest targets with field/landscape level constraints and objectives.

CAR 2003.4: Expeditiously complete an update of the 1992 Forest Resource Plan in a manner that fully considers and incorporates current scientific and technical information and that reflects current and expected environmental, social and economic circumstances.

CAR 2003.5: Develop and begin to implement a comprehensive monitoring protocol that addresses all aspects of trust forestland management, including social impacts and that assesses the extent to which the management plan is being properly implemented

CAR 2003.6: Develop a concise and easily discernable public summary of comprehensive monitoring results that is kept up to date and that addresses all of the subject areas enumerated in Criterion 8.2

CAR 2003.7: Design and document a chain-of-custody control system that assures the integrity of the certified wood supply from the trust forestlands from “stump to forest gate” and that clearly establishes DNR’s roles and responsibilities within the control system.

CAR 2003.8: Design and then implement a stakeholder consultation process for soliciting public input (from both the lay and scientific/technical publics) on: a) the identification of salient high conservation values likely to be found on the trust forestlands, b) areas within the trust forestlands that possess these attributes, c) strategies and prescriptions for conserving/maintaining these attributes and, d) monitoring the efficacy of these strategies and prescriptions

CAR 2003.9: Utilizing the DNR’s resource management expertise and input gathered through stakeholder consultation, design and incorporate into the management planning structure a set of guidelines, strategies and prescriptions for managing the trust forestlands so as to maintain all identified high conservation values

CAR 2003.10: Design and begin to implement a comprehensive and structured HCVF

monitoring system that may, in part, rely upon (i.e., utilize) extant monitoring activities but that expressly focuses on all identified high conservation values

4.0 AUDITS

If certification were to be awarded, after closure of stipulated Major CARs the first surveillance audit would be conducted within 12 months of the date that Washington DNR signed the certification contract. If a significant period of time were to elapse from the date of the audit described in this report (August, 2003) *and/or* if significant changes were instituted in the DNR management program, the findings in this report would need to be updated.

5.0 PUBLIC INFORMATION ABOUT THE FOREST MANAGEMENT PLAN AND MONITORING

As a public agency, the Washington DNR has extensive publicly available documentation about its management activities. For instance, the Forest Resource Plan and Habitat Conservation Plan are both publicly available, as is the Forestry Handbook. The WADNR web site provides a very helpful initial portal for members of the public wishing to learn about the management of the west-side trust forestlands: <http://www.dnr.wa.gov/>.

SECTION B. DETAILED RESULTS OF THE FULL EVALUATION

SECTION 1.0 DETAILED OBSERVATIONS & RESULTS

The findings and observations of the evaluation team are presented in this section, structured according to the 9 applicable FSC Principles. To follow are brief descriptions of each Principle and the team's findings and judgments, disaggregated to the Criteria within each Principle.

SECTION 1.1 PRINCIPLE #1: COMPLIANCE WITH LAWS & FSC PRINCIPLES

This FSC Principle is elaborated through a set of 6 Criteria that focus on issues such as conformance to all applicable national and local laws and regulations, payment of legally prescribed fees, taxes and royalties, protections against illegal harvesting and other unauthorized activities, and demonstrating a long-term commitment to adhere to the FSC Principles & Criteria.

- 1.1 Forest management shall respect all national & local laws and administrative requirements**
- 1.2 All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid**
- 1.3 In signatory countries, the provisions of all the binding international agreements such as CITES, ILO conventions, ITTA, and Convention on Biological Diversity, shall be respected**
- 1.4 Conflicts between laws, regulations and the FSC Principles and Criteria shall be evaluated for the purposes of certification, on a case by case basis, by the certifiers and the involved or affected parties.**
- 1.5 Forest management areas should be protected from illegal harvesting, settlement and other unauthorised activities**
- 1.6 Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria**

<i>Criterion</i>	<i>Strengths Relative to the Standard</i>	<i>Weaknesses Relative to the Standard</i>
C1.1 Forest management shall respect all national & local laws and administrative requirements	<ul style="list-style-type: none"> • WADNR has a strong track record of compliance with the state forest practice regulations • Management is conducted with full public disclosure; documentation is readily available and public comment protocols are actively employed • WADNR has forged collaborative working relationships with pertinent state and federal resource agencies 	<ul style="list-style-type: none"> • Many environmental NGOs consider Habitat Conservation Plans to constitute an abrogation of the Federal Endangered Species Act; several ENGOs take this view toward the DNR's west-side multi-species HCP. These entities assert that HCPs inherently conflict with the expectations embodied in the FSC Principles and Criteria (Note: SCS does not share this view.)
Score: 90		

Findings: Comparing observed performance against the 3 Pacific Coast regional indicators for this Criterion leads to the team to conclude that DNR is operating at a very high level of legal compliance, the negative views held by ENGOs towards HCPs, notwithstanding. Accordingly, the team has assigned a score that connotes "clear conformance" with this criterion, as elaborated by the Pacific Coast Regional Standard.

C1.2 All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid	<ul style="list-style-type: none"> • Available evidence suggests that all taxes, fees and beneficiary revenues are paid in a timely manner • Management of the trust lands is conducted in a business-like fashion 	
Score: 95		

Findings: In comparing observed performance against the single Pacific Coast regional indicator associated with this Criterion, the audit team finds little to be concerned about. Accordingly, the team has assigned a score that connotes "superlative conformance" with this criterion, as elaborated by the Pacific Coast Regional Standard.

C1.3 In signatory countries, the provisions of all the binding international agreements such as CITES, ILO conventions, ITTA, and Convention on Biological Diversity, shall be respected	<ul style="list-style-type: none"> • DNR interacts with tribes on a nation-to-nation basis • No evidence of conflict with international conventions such as CITES 	<ul style="list-style-type: none"> • It is doubtful that DNR management and field personnel have full knowledge of all relevant international agreements to which the U.S. is a signatory. • A register of relevant/pertinent international agreements and treaties has not been compiled and is not available at field offices.
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Score: 85		
Findings: While the audit team concludes that most if not all DNR employees—at all levels of the organization—have a general familiarity let alone working knowledge of potentially applicable international treaties and conventions, such international agreements are admittedly of very little relevance to management of domestic forests in the U.S. As well, the audit team observed nothing that would indicate non-conformance to such international agreements. Accordingly, the team has assigned a score that connotes “conformance” with this criterion, as elaborated by the Pacific Coast Regional Standard.		
C1.4		
Score:		
Findings: This criterion was not scored, as it is primarily and advisory to certificate holders after award of certification.		
C1.5 Forest management areas should be protected from illegal harvesting, settlement and other unauthorised activities	<ul style="list-style-type: none"> DNR takes active measures to limit unauthorized and illegal use of the trust forestlands, utilizing measures such as gates and “tank traps” DNR maintains a law enforcement staff that plays a key role in controlling and minimizing unlawful activities 	<ul style="list-style-type: none"> The perimeters of trust forestlands are not fully signed. Due to budgetary shortfalls, the resources devoted to law enforcement and recreation use management have not kept pace with increasing use levels and patterns.
Score: 87		
Findings: Despite stagnating and even shrinking budgets and staff resources in the face of ever increasing public use pressures, the update audit revealed that incidences of illegal activity (e.g., dumping of garbage, unauthorized ATV use, illegal hunting) have not increased since the prior full evaluation audit and remain quite limited in extent. Accordingly, the team has assigned a score that connotes “clear conformance” with this criterion, as elaborated by the Pacific Coast Regional Standard.		
C1.6 Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria	<ul style="list-style-type: none"> On a de facto basis, DNR management is largely in conformance with the FSC P&C 	<ul style="list-style-type: none"> DNR has not published, such as on their web site, a statement expressing clear support for the FSC Principles & Criteria. DNR declined the offer of FSC certification, in early 2001, and remains non-committal.
Score: 75		

Findings: Given the fact that DNR representatives remain quite non-committal towards FSC-endorsed certification, now almost three years since certification was first offered, the SCS update audit team could not conclude that DNR has demonstrated a commitment to the FSC P&C; thus, we must conclude that there is insufficient conformance to this Criterion. Nor has the DNR issued a public statement expressing a commitment to manage the west-side trust forestlands in accordance with the FSC Principles & Criteria. As such, a score less than the 80-point threshold of exemplary performance was awarded. Normally, a score less than the 80-point threshold would require the stipulation of a Corrective Action Request. But in this case, the team does not believe that there is a logical or enforceable CAR to stipulate. The DNR is advised however, that continued delay in reaching a decision to engage in FSC certification will run the risk of rendering the findings of this update audit out of date.

Findings and Conclusions:

Overall, and as the assigned and weighted average scores indicate, the SCS audit team concludes that Washington DNR's management of the west-side trust forestlands is in solid overall compliance with applicable laws and regulations. Fundamental to this conclusion is the team's reliance on the continued viability of the multi-species Habitat Conservation Plan to assure forest management practices that comply with the Federal Endangered Species Act. Conformance to this Principle could be jeopardized if policy changes were instituted that led federal agency personnel to conclude that the viability and defensibility of the HCP were compromised.

In light of the protracted period of time during which DNR has been considering its certification options, the audit team cannot conclude that there is a demonstrated commitment to manage the trust forestlands in conformance to the FSC P&C.

Corrective Action Requests:

No corrective action requests are deemed to be relevant to the one Criterion (C1.6) for which the audit team judged the DNR to presently be in non-conformance. In the event that DNR were to make a public commitment to seeking FSC certification or, alternatively, to manage the trust forestlands expressly in accordance with the P&C, conformance with Criterion 1.6 would be established.

Importance Weighted Aggregate Score for Principle 1:

Employing the PAIRWISE algorithm, the evaluation team assigned weights of relative importance for each of the 6 Criteria in this Principle. Under SCS' accredited protocols, assignment of weights of relative importance is one means by which certification evaluations recognize and incorporate regional and sub-regional circumstances. In this case, the weights were designed to reflect the regional context in which the subject forest management unit is located:

FSC Principle #1: Compliance with Laws and FSC Principles	Normalized Relative Importance Weights	Performance Scores	Weighted Average Score
1.1	.34	90	86.3
1.2	.13	95	
1.3	.16	85	
1.4	0		
1.5	.17	87	
1.6	.20	75	

Applying the normalized weights of relative importance to the 5 assigned performance scores, and rounding to the nearest integer, leads to a weighted average score for the Principle of:

86

Per SCS protocols duly accredited by the FSC, and as this weighted average score is in excess of 80 points, acceptable overall conformance to this FSC Principle is confirmed. This finding would require reconsideration in the event that DNR were to change policies and/or practices pertinent to the scope of this Principle, subsequent to issuance of this report.

SECTION 1.2 PRINCIPLE #2: TENURE AND USE RIGHTS/RESPONSIBILITIES

This FSC Principle, detailed through 3 Criteria, focuses on the long-term tenure and use rights to the land that is undergoing the certification evaluation. Forest managers seeking FSC-endorsed certification must establish clear and legal ownership or right to manage the defined forest area that is being evaluated. Customary use rights, if clearly demonstrated, must be appropriately honored.

- 2.1 Clear evidence of long-term tenure and forest use rights to the land (e.g. land title, customary rights, or lease agreements) shall be demonstrated**
- 2.2. Local communities with legal or customary tenure or use rights shall maintain control, to the extent necessary to protect their rights or resources, over forest operations unless they delegate control with free and informed consent to other agencies.**
- 2.3 Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights. The circumstances and status of any outstanding disputes will be explicitly considered in the certification evaluation. Disputes of substantial magnitude involving a significant number of interests will normally disqualify an operation from being certified.**

<i>Criterion</i>	<i>Strengths Relative to the Standard</i>	<i>Weaknesses Relative to the Standard</i>
C2.1 Clear evidence of long-term tenure and forest use rights to the land (e.g. land title, customary rights, or lease agreements) shall be demonstrated	<ul style="list-style-type: none"> • There is no question as to the legal rights of DNR/BNR as trust managers for the state trust forestlands • There are boundary signs on the perimeter of many of the trust forestlands, but the use of signage is not consistent across the west side 	<ul style="list-style-type: none"> • RIFS, over the past 3 years and contemplated for this biennium, have constrained DNR's ability to fully address and manage customary use rights .
Score: 90		

Findings: There are two regional indicators associated with this Criterion that the audit team considered. While there is no question as to the legal right of WADNR managing the state trust forestlands, the continuing contraction in DNR budgets and personnel means that its ability to actively address and manage for the use rights of other entities such as neighboring tribes has diminished. Accordingly, the team has assigned a score that connotes "clear conformance" with this criterion, as elaborated by the Pacific Coast Regional Standard.

C2.2 Local communities with legal or customary tenure and use rights shall maintain control to the extent necessary to protect their resources, over forest operations they delegate control free and informed consent to other agencies.	<ul style="list-style-type: none"> • DNR has a strong track record of allowing customary and lawful uses of the trust forestlands • DNR actively seeks to limit adverse impacts of public use • Through several mechanisms such as partnership arrangements, DNR does a good job of communicating and consulting with user groups 	<ul style="list-style-type: none"> • As part of the budgetary negotiation process in early 2003, several campgrounds were kept closed during the early part of the recreational season.
Score: 93		

Findings: There are three regional indicators associated with this Criterion that the audit team considered. Generally, the audit team is impressed with the extent and manner in which DNR allows customary and lawful uses of the forest, while trying to balance these uses against resource protection concerns. Accordingly, the team has assigned a score that connotes "superlative conformance" with this criterion, as elaborated by the Pacific Coast Regional Standard.

<p>C2.3 Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights.</p> <p>Score: 85</p>	<ul style="list-style-type: none"> • Relations with neighbouring tribes are generally very good • DNR engages in many forms of stakeholder outreach and interaction • The legal system provides a dispute resolution mechanism of final resort for stakeholders with grievances; DNR appears committed to avoiding lawsuits through negotiation and accommodation 	<ul style="list-style-type: none"> • DNR does not have an agency-level formal dispute resolution mechanism that is expressly responsive to this criterion.
<p>Findings: There are two regional indicators associated with this Criterion that the audit team considered. While the judicial processes available in the U.S. at the local, state and federal levels collectively provide a mechanism for resolving disputes, structured yet less formal means of dispute resolution are desirable as a first recourse. The audit team acknowledges that DNR endeavors to maintain good working relationships with its varied stakeholders. Accordingly, the team has assigned a score that connotes “conformance” with this criterion, as elaborated by the Pacific Coast Regional Standard.</p>		

Findings and Conclusions:

Without doubt, the Washington DNR has the statutory authority and responsibility to manage the subject forest lands on behalf of the trust beneficiaries and the citizens of the State of Washington. DNR personnel understand and endeavor to execute their trust management responsibilities, though the balancing of the interests of the current generation and future generations of beneficiaries is a vexing challenge, indeed.

Corrective Action Requests:

No non-discretionary or discretionary Corrective Action Requests are stipulated with regard to this Principle.

Importance Weighted Aggregate Score for Principle 2:

Employing the PAIRWISE algorithm, the evaluation team assigned weights of relative importance for each of the 3 Criteria in this Principle. Under SCS' accredited protocols, assignment of weights of relative importance is one means by which certification evaluations recognize and incorporate regional and sub-regional circumstances. In this case, the weights were designed to reflect the regional context in which the subject forest management unit is located

FSC Principle #2 <i>Tenure and Use Rights and Responsibilities</i>	Normalized Relative Importance Weights	Performance Scores	Weighted Average Score
2.1	.54	90	89.0
2.2	.16	93	
2.3	.30	85	

Applying the normalized weights of relative importance to the 3 assigned performance scores, and rounding to the nearest integer, leads to a weighted average score for the Principle of:

89

Per SCS protocols duly accredited by the FSC, and as this weighted average score is in excess of 80 points, acceptable overall conformance to this FSC Principle is confirmed. This finding would require reconsideration in the event that DNR were to change policies and/or practices pertinent to the scope of this Principle, subsequent to issuance of this report.

SECTION 1.3 PRINCIPLE #3: INDIGENOUS PEOPLES' RIGHTS

This FSC principle is concerned about the rights of indigenous peoples to own, use and manage their lands and territories. The criteria focus on issues such as tenure rights of indigenous people, protection of cultural sites (including cultural sites located on non-tribal lands), and compensation for traditional knowledge.

- 3.1 Indigenous peoples shall control forest management on their lands and territories unless they delegate control with free and informed consent to other agencies.**
- 3.2 Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples.**
- 3.3 Sites of special cultural, ecological, economic or religious significance to indigenous peoples shall be clearly identified in cooperation with such peoples, and recognized and protected by forest managers.**
- 3.4 Indigenous peoples shall be compensated for the application of their traditional knowledge regarding the use of forest species or management systems in forest operations. This compensation shall be formally agreed upon with their free and informed consent before forest operations commence.**

Criterion	Strengths Relative to the Standard	Weaknesses Relative to the Standard
C3.1		
Score: NA		

Findings: This criterion was not scored because the land base under question is not legally owned by Indigenous peoples.

C3.2 Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples.	<ul style="list-style-type: none"> • DNR personnel, primarily at the headquarters level, make active and semi-regular contact with tribal groups; the level and efficacy of this effort has improved since the prior certification audit, in 2000 • DNR invites the participation of tribal representatives in management planning—the tribes are “invited to the table” • Generally, resources of concern to neighboring tribes (such as salmonids) are being afforded adequate protection from site disturbing activities • Despite staff downsizing at headquarters, the position of tribal liaison has been secured 	<ul style="list-style-type: none"> • Some tribal biologists and resource managers remain sceptical that the DNR staff is adequately protecting Threatened and endangered species, riparian areas and other resources adequately and/or across all regions. <ul style="list-style-type: none"> • Some tribal members remain concerned over specific timber sales. • Consideration of tribal issues, and overall tribal relations, is not consistent across regions.
Score: 87		

Findings: There are three regional indicators associated with this Criterion that the audit team considered. On balance, DNR has demonstrated that forest management does not threaten or diminish Indigenous rights or resources, justifying a performance score of “clearly above” the threshold of conformance with this Criterion.

C3.3 Sites of special cultural, ecological, economic or religious significance to indigenous peoples shall be clearly identified in cooperation with such peoples, and recognized and protected by forest managers.	<ul style="list-style-type: none"> • DNR continues to have a high-level staff position occupied by a tribal member and with the purpose of fostering effective lines of communication with the neighbouring tribes. • The new commissioner has underscored the importance of positive tribal relations, such holding a large meeting involving 30 DNR staff and tribal representatives, this past January. • Steps are taken to protect resources and activities of significance to tribes. 	<ul style="list-style-type: none"> • Some areas of special cultural significance remain as ‘on-base’ in terms of recalculating the allowable harvest. While they are currently deferred from harvest, they may not be protected in the long term.
Score: 87		

Findings: There are three regional indicators associated with this Criterion that the audit team considered. While there is room for improvement, particularly in assuring more consistency in dealing with tribal interests across the five administrative regions, the audit team concludes that relations with neighboring tribes is relatively positive and in conformance with the expectations contained in this Criterion. Overall, it is the audit team's judgment that DNR is "clearly above" the threshold of conformance regarding identification and protection of sites of special significance to tribal entities.

C3.4		
Score: NA		

Findings: As far as the audit team is aware, DNR does not apply Indigenous peoples' management systems or use forest species in a way that violates Indigenous intellectual property rights.

Findings and Conclusions:

Drawing from the strengths and weaknesses above, the evaluation team observes no circumstances to indicate that DNR's management of forest lands are in fundamental non-compliance with Principle #3. When considering the whole of Principle 3, the DNR has earned a score of 87, which is a performance "clearly above" the threshold of compliance.

Based on field observations and stakeholder discussions, it appears that tribal relations have improved since the previous certification assessment, and that this positive trajectory will continue. Staff, at all levels, describe as a priority interacting and collaborating with tribes.

Despite the fact that Indigenous peoples' rights and sites of significance do not appear to be diminished, other concerns related to DNR's forest and resource management (as cited in Principles #6, 7 and 8) affect resources also considered significantly important to tribes. These conclusions and recommended actions are stated in those sections of the report addressing those Principles.

Corrective Action Requests:

No discretionary Corrective Action Requests were stipulated with regard to this Principle.

Importance Weighted Aggregate Score for Principle 3:

Employing the PAIRWISE algorithm, the evaluation team assigned weights of relative importance for each of the 2 applicable Criteria in this Principle. Under SCS' accredited protocols, assignment of weights of relative importance is one means by which certification evaluations recognize and incorporate regional and sub-regional circumstances. In this case, the weights were designed to reflect the regional context in which the subject forest management unit is located.

FSC Principle #3 <i>Indigenous Peoples' Rights</i>	Normalized Relative Importance Weights	Performance Scores	Weighted Average Score
3.1	0		87.0
3.2	.55	87	
3.3	.45	87	
3.4	0		
			87.0

Applying the normalized weights to the 2 assigned performance scores, and rounding to the nearest integer, leads to a single weighted average score for this Principle of:

Per SCS protocols duly accredited by the FSC, and as this weighted average score is in excess of 80 points, acceptable overall conformance to this FSC Principle is confirmed. This finding would require reconsideration in the event that DNR were to change policies and/or practices pertinent to the scope of this Principle, subsequent to issuance of this report.

SECTION 1.4 PRINCIPLE #4: COMMUNITY RELATIONS & WORKERS' RIGHTS

This FSC Principle, elaborated through 5 criteria, addresses the effects of forest management on the well being of forest workers and local communities. The Criteria focus on issues such as: preferences for local employment, compliance with employee health and safety regulations, rights of workers to organize, completion of social impact assessments, and employee grievance resolution mechanisms. In short, this principle expresses the position that exemplary forest management must include a conscious sensitivity to the interests of the most directly impacted stakeholders: employees, contractors and local communities.

Forest management operations shall maintain or enhance the long-term social and economic well being of forest workers and local communities.

- 4.1 The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services**
- 4.2 Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families**
- 4.3 The rights of the workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labor Organization (ILO)**
- 4.4 Management planning and operations shall incorporate the results of evaluations of social impact. Consultation shall be maintained with people and groups directly affected by management operations.**
- 4.5 Appropriate mechanisms shall be employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources or livelihoods of local peoples. Measures shall be taken to avoid such loss or damage**

Criterion	Strengths Relative to the Standard	Weaknesses Relative to the Standard
<p>C4.1 The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services</p>	<ul style="list-style-type: none"> In the face of budget-induced reductions in recreation staff positions, DNR is more actively and extensively pursuing cooperative efforts with volunteers and user groups By maintaining the area as a forest, DNR provides for ecological services to neighboring communities Recreational opportunities are available to adjacent communities DNR remains a large provider of jobs in many communities Employee conditions are good for non-local workers as they are for local workers (including salary, benefits, compensation, training) When possible, DNR provides public education opportunities to communities regarding forest management, wildlife, etc. 	<ul style="list-style-type: none"> DNR does not have a special timber sale program that favors small, locally-based contractors or value-added businesses. (Note: SCS understands that DNR may be legally required to sell to the highest bidder, but that mandate may not preclude DNR from expressly designing/packaging timber sales in a manner that facilitates or encourages successful bids from small, locally-based contractors. And even if legal mandates, in fact, do preclude an affirmative small business initiative, the absence of such an initiative nevertheless constitutes a weakness relative to the Pacific Coast Regional Standard) Greater effort needs to be given to encouraging local processing of timber harvested from DNR lands. Local purchasers only receive a small portion of the timber sold from DNR lands. Staff reductions in small rural communities (e.g., Forks) has an effect on the community's economic well-being. The Special Forest Products sector remains under-utilized with respect to its full potential for providing employment opportunities and services.
<p>Score: 85</p>		
<p>Findings: There are seven regional indicators associated with this Criterion that the audit team considered. On balance, DNR provides opportunities for communities to benefit from the products and services generated on the state forestlands, justifying a score that connotes "conformance" with this Criterion. In general, the strengths and weaknesses remain similar to those observed in the initial (2000) audit. Community relations have improved slightly, although benefits to the community in terms of timber sales and log processing remain low.</p>		
<p>C4.2 Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families</p>	<ul style="list-style-type: none"> Field personnel are well aware of L&I issues Generally, DNR has a very good safety track record DNR employees have decent health insurance programs Training is provided for equipment handling and workplace safety 	<ul style="list-style-type: none"> DNR's emphasis on field safety is not as visibly obvious as compared to private industrial forestry operations. Use of safety equipment in the field (e.g., hard hats, eye protection, steel toed boots) is variable across the west side
<p>Score: 92</p>		

Findings: There is one regional indicator associated with this Criterion that the audit team considered. The DNR clearly deserves a score that signifies a performance of “superlatively” above the threshold of conformance with this criterion, as the weaknesses are minor compared to the strengths.

<p>C4.3 The rights of the workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labor Organization (ILO)</p> <p>Score: 90</p>	<ul style="list-style-type: none"> • DNR will be engaging in full scope collective bargaining with its employee unions at the state-wide level, including bargaining over wages • There is no prohibition on the rights of DNR employees to organize and collectively bargain • There are, we assume, established procedures for resolving employee grievances 	
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Findings: There is one regional indicator associated with this Criterion that the audit team considered. Based upon information gathered during the 2003 update audit, the team concludes that DNR merits a score that signifies performance “clearly above” the threshold of conformity.

<p>C4.4 Management planning and operations shall incorporate the results of evaluations of social impact. Consultation shall be maintained with people and groups directly affected by management operations.</p>	<ul style="list-style-type: none"> • Compared to 3 years ago, employee morale appears to have improved, due to a perception that top management affords field staff greater responsibility and latitude. • There appears to be a better level of openness, communication and dialogue between headquarters and field units, as compared to 3 years ago. • The general tenor of relations with stakeholder groups appears to have improved as compared to 3 years ago, though the outcome of the SHC process is likely to lead to disaffection on one side of the spectrum or the other • For the Sustainable Harvest recalculation, DNR has commissioned a social impact 	<ul style="list-style-type: none"> • The planned full scope collective bargaining with the employee unions introduces uncertainty as to the future benefit packages to be enjoyed by DNR employees • DNR, in its annual reporting, does not employ the “triple bottom line” accounting that is increasingly prevalent in the private sector. • Social impact assessments and social monitoring are not generally conducted with respect to the various planning/implementation initiatives. • The effects of decreased timber harvest and job loss on surrounding communities has not been assessed, and mitigation strategies are not implemented. The audit team understands that other state agencies may concern themselves with matters such as rural job losses. But the
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<p>Score: 78</p>	<p>assessment, being conducted by a UW graduate student. A draft copy of the report was made available to the audit team.</p> <ul style="list-style-type: none"> • Input in management planning is offered to community and tribal stakeholders, mostly through the SEPA process and sometimes above and beyond what is required through SEPA. • Archeological sites and other sites of significance are identified with stakeholders and efforts are made to protect these areas • District and regional staff are well-integrated into their respective communities of residence, thereby helping to promote channels of communication and collaboration 	<p>certification standard invokes an expectation that forest managers take such impacts into account when formulating policies and decisions. We are not aware of a process or linkage by which DNR considers the results of social impact assessments that may be carried out by other state agencies.</p> <ul style="list-style-type: none"> • Across regions, DNR does not adequately engage (e.g., consult in a structured manner) communities in management planning, beyond SEPA requirements. It is the audit team's judgment that DNR could be much more effective in utilizing the public to help develop, modify or implement management plans and activities, a situation that we conclude is at least partially due to inadequate directives that guide the public involvement process. • Because of all the different planning documents and processes undergone throughout the years, communities are unsure and sceptical of planning initiatives.
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Findings: There are three regional indicators associated with this Criterion that the audit team considered. Because of its limited implementation of socio-economic monitoring, the audit team concludes that DNR merits a score connoting performance "marginally below" the threshold of conformance with this Criterion, as elaborated by the Pacific Coast Regional Standard. Accordingly, specification of a Corrective Action Request is required (see below).

<p>C4.5 Appropriate mechanisms shall be employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources or livelihoods of local peoples. Measures shall be taken to avoid such loss or damage</p>	<ul style="list-style-type: none"> • Where situations arise, DNR has worked with tribes and local communities resolve grievances and mitigate damage from activities • The legal/judicial system operating in the State of Washington provides an avenue of recourse to resolve grievances and disputes 	<ul style="list-style-type: none"> • DNR has not adequately addressed problems that arise when resource-dependent communities are affected by forest management activities that decrease harvest volumes; mitigation strategies have not been properly assessed and communication remains weak and divisive in some situations. (Note: DNR has informed the audit team that the state legislature has not enabled DNR to engage in social mitigation strategies that would require allocation of staff and budget resources. While this may be the case, the absence of such strategies nevertheless runs counter this Criterion.) • The audit team was not provided evidence that contractors working on state forestlands must carry liability insurance
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Score: 85		
Findings: There are two regional indicators associated with this Criterion that the audit team considered. On balance, DNR's use of mechanisms to resolve grievances and compensate for losses was observed to be in "conformance" with this Criterion, as elaborated by the Pacific Coast Regional Standard. In general, the strengths and weaknesses of DNR actions with respect to this criterion are similar to that which was observed during the initial (2000) audit.		

Findings and Conclusions:

When considering the whole of Principle 4, the DNR has received a weighted average performance score of 86 (see below), which signifies community relations and workers' rights that are "clearly above" the threshold required to be in compliance with this Principle.

It was clear to the evaluation team that both the executive committee and the field level DNR staff continue to be more aware of the importance of integrating social dimensions into forest management. Comparing the degree to which DNR was a "good neighbor" as observed in the initial (2000) audit, much has improved: relationships appear to be stronger between agency staff and community stakeholders; tribal conflicts continue to decrease, joint projects are increasing and communication appears greater and more effective.

However, much has also stayed the same. DNR is still not adequately addressing loss of revenue in some of the traditionally timber-dependent communities adjacent to DNR lands. While some districts and regions appear to make a concerted effort procure goods locally, employ a local workforce, and offer timber sales accessible to smaller, local contractors, there is still no agency-wide movement towards supporting the local economy. While DNR may well be correct in its understanding that it is legally precluded from developing programs aimed at supporting local economies, it nevertheless clashes with this Criterion. The audit team notes that this may be an instance where the FSC certification standards conflict with the DNR's legal authorities. We further note that such conflicts are anticipated by the FSC P&C and are addressed in Criterion 1.4.

Similarly, DNR staff continues to employ outdated public involvement techniques that run the risk of inadequately considering and possibly disenfranchising public attitudes and local knowledge of the natural resources. Beyond SEPA requirements, efforts at structured and focused public involvement are generally lacking and not at exemplary levels relative to the expectations found in the Pacific Coast Regional Standard.

Corrective Action Requests:

CAR 2003.1: If DNR were to commit to FSC certification, a corrective action request would need to be stipulated by SCS that asks DNR to improve and institutionalize social impact assessments.

Importance Weighted Aggregate Score for Principle 4:

Employing the PAIRWISE algorithm, the evaluation team assigned weights of relative importance for each of the 6 Criteria in this Principle. Under SCS' accredited protocols, assignment of weights of relative importance is one means by which certification evaluations recognize and incorporate regional and sub-regional circumstances. In this case, the weights were designed to reflect the regional context in which the subject forest management unit is located

FSC Principle #4 <i>Community Relations and Worker's Rights</i>	Normalized Relative Importance Weights	Performance Scores	Weighted Average Score
4.1	.25	85	
4.2	.25	92	
4.3	.11	90	
4.4	.22	78	
4.5	.17	85	
			85.8

Applying the normalized weights to the 5 assigned performance scores, and rounding to the nearest integer, leads to a single weighted average score for this Principle of:

86

Per SCS protocols duly accredited by the FSC, and as this weighted average score is in excess of 80 points, acceptable overall conformance to this FSC Principle is confirmed. This finding would require reconsideration in the event that DNR were to change policies and/or practices pertinent to the scope of this Principle, subsequent to issuance of this report.

SECTION 1.5 PRINCIPLE #5: BENEFITS FROM THE FOREST

This FSC Principle addresses several loosely related issues such as efficiency in the use of forest products, financial viability of the forest management operation, and diversity of environmental and social benefits from forest management. Principle 5 is elaborated through 6 Criteria. Of note, Criterion 5.6 requires that the rate of harvest not exceed levels that can be permanently sustained, perhaps one of the most focused and specific requirements found throughout the P&C. The other 5 Criteria within this principle address matters such as balancing financial objectives with full cost accounting (including environmental costs), optimal use of harvested products and local processing, minimization of waste and residual stand damage, diversification of products from the forest, and protection of forest services such as watershed functions and fisheries values.

5.1 Forest management should strive towards economic viability, while taking into account the full environmental, social, and operational costs of production, and

ensuring the investments necessary to maintain the ecological productivity of the forest.

- 5.2 Forest management and marketing operations should encourage the optimal use and local processing of the forest's diversity of products.**
- 5.3 Forest management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.**
- 5.4 Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.**
- 5.5 Forest management operations shall recognize, maintain and, where appropriate, enhance the value of forest services and resources such as watersheds and fisheries.**
- 5.6 The rate of harvest of forest products shall not exceed levels which can be permanently sustained.**

<i>Criterion</i>	<i>Strengths Relative to the Standard</i>	<i>Weaknesses Relative to the Standard</i>
C5.1 Forest management should strive towards economic viability, while taking into account the full environmental, social, and operational costs of production, and ensuring the investments necessary to maintain the ecological productivity of the forest.	<ul style="list-style-type: none"> • Through aggressive fiscal management, expenditures are now in line with revenues • DNR is pursuing innovative funding mechanisms such as the planned Legacy Trust. • Faced with reduced staffs and budgets, DNR has designed and adopted more streamlined and labor efficient procedures; e.g., timber sale planning and documentation now takes 6-8 months, down from the prior 18 months. • DNR has concentrated most of the RIF-induced position eliminations in the headquarters office, generally sparing field positions from elimination 	<ul style="list-style-type: none"> • There has been a dramatic reduction in budgets available for management of the trust forestlands, over the past 3 years. • The budget reductions have resulted in three RIFs (totaling some 160 FTEs) over the past 3 years with another RIF planned for this biennium. • Due to budget cuts, DNR has disinvested in public use management. Lack of law enforcement and other public use services has forced DNR to close some recreation sites.
Score: 84		

Findings: There are three regional indicators associated with this Criterion that the audit team considered. Collectively, these indicators speak to the fiscal ability of the forest manager to sustain a high level of investment in the stewardship of the defined forest area. As a public agency with the fiscal resources of the State of Washington as its underpinning, the DNR is clearly not a fly-by-night forestry operation in danger of rapid and pronounced disinvestment. Through aggressive cost control and increased emphasis on specialty marketing, DNR is on relatively sound footing despite the severe fiscal crisis facing the State of Washington. But staff reductions and shrinking or curtailed programs nonetheless constitute forms of disinvestment. But, on balance, the audit team believes that DNR is doing a commendable job of striving toward fiscal viability while taking into account non-fiscal fiduciary considerations. Accordingly, the team has assigned a score that connotes “conformance” with this Criterion, as elaborated by the Pacific Coast Regional Standard.

C5.2 Forest management and marketing operations should encourage the optimal use and local processing of the forest's diversity of products.	<ul style="list-style-type: none"> • New markets are being explored and tapped into (post and poles, ex) • A marketing strategy is being developed • Contract harvesting is a promising economic opportunity • DNR is considering FSC-certification as a marketing opportunity • DNR's marketing section is encouraging staff to identify higher value products within the sale unit. 	<ul style="list-style-type: none"> • Few sales are packaged in a way that local contractors can bid on them • Local processing and value-added manufacturing is not given enough support • Non-timber forest products are not adequately managed or used • Relative to expectations embodied in the Pacific Coast Regional Standard, there is no DNR encouragement of local processing. Local, smaller mills often do not have access to the sales due to the size of the contract. (The audit team acknowledges
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Score: 80	<p>High quality characteristics (veneers, high ring count) are being identified, quantified and/or are being sold separately.</p> <ul style="list-style-type: none"> • Poles and hardwoods sales are being developed and marketed. 	<p>contract. (The audit team acknowledges that DNR is required to sell to the highest bidder.)</p> <ul style="list-style-type: none"> • Mills from neighbouring states which have economic incentives to maintain a local mill infrastructure are successfully bidding on State Forest Timber Sales.
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Findings: There are four regional indicators associated with this Criterion that the audit team considered. These indicators speak to the regional socio-economic benefits generated when forest managers seek to assure that local businesses benefit from and take part in the utilization of forest products and services. While local businesses do manage to get a share of the timber harvested from the state forests, it is not due to a conscious effort on the part of the DNR. Further, the ability of local processors to compete against more distant competitors appears to be weakening, which could result in additional erosion in the level of local benefit being generated from state timber sales. (The audit team acknowledges that legal constraints applying to DNR may preclude taking actions to address this problem and that, as such, this may a gap beyond DNR's control. On a more positive note, DNR is endeavoring to develop a marketing initiative so as to rise above the "price-taker" role it has traditionally played in product markets. Accordingly, the team has assigned a score that connotes "marginal conformance" with this Criterion, as elaborated by the Pacific Coast Regional Standard. Conformance to this Criterion would be enhanced by institution of efforts to provide greater opportunities for local processing of timber harvested off of the state forests.

<p>C5.3 Forest management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.</p>	<ul style="list-style-type: none"> • Good protection of 'leave trees' • Good post harvest ground control • In harvesting, DNR avoids damaging other resources • The selection/thinning harvest operations have greatly improved. In most cases, the remaining trees have little observable harvest damage. The selection of harvest equipment has also reduced damage to the site and water resources. • Helicopter operations are used to protect cultural resource, as well. 	<ul style="list-style-type: none"> • Unnecessary foregone revenue due to degraded logs left in deck piles, in some observed instances. • Some downed wood is going neither to the mills nor back to the forest • Inadequate biomass retention (too small and not enough). • The slash left after operations are usually piled and left roadside, to allow for planting. The piling operations in many of the operations also include most of the remaining large woody debris/logs that could, instead, be part of the long-term soil infrastructure.
Score: 82		

Findings: There are three regional indicators associated with this Criterion that the audit team considered. Generally, the audit team observed harvesting operations with little wastage in terms of residual stand damage. But we did observe instances where merchantable logs were left in cull decks, road side. But, on balance, DNR cannot be viewed as being engaged in wasteful timber utilization. Accordingly, the team has assigned a score that connotes "conformance" with

this Criterion, as elaborated by the Pacific Coast Regional Standard.

<p>C5.4 Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.</p>	<ul style="list-style-type: none"> • Diversity is sought through using products of thinning operations, post and pole sales • Recreation opportunities are abundant and contribute to the local economy through out-fitters/guides, sale of provisions, other amenities • The marketing division is diversifying its sales to capture value in a sale area. The marketing division is also investigating other potential forest products that exist in the WDNR forests. 	<ul style="list-style-type: none"> • Volunteers are increasingly used to help manage forest resources, recreation and other public use. DNR budget cuts have caused a strain on management and thus volunteers are sometimes critical to certain activities. However, this also indicates lost jobs in the community. • There are less funds available for public use now than during the last audit, which was also inadequate • Relative to the expectations embodied in the Pacific Coast Regional Standard, and irrespective of its legal mandates as a trust manager, DNR does not adequately help support/promote local value-added sector to diversify rural economies. • OESF and other areas that have 25-25 year old stands need to have access to fiber markets to address thinning requirements needed for maintaining even-aged silviculture.
<p>Score: 88</p>		

Findings: There is one regional indicator associated with this Criterion that the audit team considered. The indicator focuses on diversification of forest uses and products. Considering recreation use, timber management, habitat reserves, natural areas, etc., the audit team is impressed with the diversity of services being generated on the state forests. Accordingly, the team has assigned a score that connotes “clear conformance” with this Criterion, as elaborated by the Pacific Coast Regional Standard.

<p>C5.5 Forest management operations shall recognize, maintain and, where appropriate, enhance the value of forest services and resources such as watersheds and fisheries.</p>	<ul style="list-style-type: none"> • The HCP is valuable in providing a safety net for conservation (this should not suggest that the HCP provides only a minimum level of conservation protection but that, due to it being a legal contract with the federal government, it does constitute a long-term assurance or safety net) • Management and protection is above standards on private lands • Culverts are being replaced and improved • Road removal is occurring adjacent to streams 	<ul style="list-style-type: none"> • Recreation and public use funding has not kept pace with ever increasing use pressures • Plans are underway to increase thinning in riparian areas, which can either enhance or harm riparian and aquatic resources, depending on the manner with which such entries or designed and executed
<p>Score: 84</p>		

Findings: There are no regional indicators associated with this Criterion. In light of the varied programs and initiatives undertaken by DNR to protect and enhance forest services and resources such as salmonids, clean water, old growth, etc., the audit team has assigned a score that connotes “conformance” with this Criterion. However, if substantial changes are made in policies guiding the protection of water resources, aquatic habitats, owl habitats, mature forest cover, etc., it is quite likely that DNR would no longer be in conformance with this Criterion.

<p>C5.6 The rate of harvest of forest products shall not exceed levels which can be permanently sustained.</p>	<ul style="list-style-type: none"> • The SHC process, as revised since the prior certification audit, includes both internal and external review committees • There has been an express effort to solicit the input of field-level personnel in the new sustainable harvest calculation process; most field staff feel that their perspectives as to limits and sideboards are being sought and considered • DNR overlays an even-flow constraint on its harvest schedule • The audit team observed a pattern of well-stocked stands with occasionally overstocked conditions • Thinning is done appropriately, in a manner that improves stand health and vigor rather than being driven solely by the need to generate a positive net revenue 	<ul style="list-style-type: none"> • The current sustainable harvest level, in the context of the current field-level constraints on harvesting, is not truly sustainable, as widely recognized by field personnel • Due to budget shortfalls, there has been some deferment of silvicultural investments that, if not properly accounted for in the SHC process could lead to overly optimistic planned harvest levels. • The sustainable harvest calculation process is still at least a year from completion and implementation; in the mean time, most field staff interviewed by the audit team believe that the new sustainable harvest level will need to be no higher and probably lower than the present allowable harvest if it is to be truly sustainable, under the current field restrictions as contained in the forestry handbook. • The sustainable harvest calculation still relies upon a strictly deterministic (non-stochastic) model • Several key/interim policies¹³ (e.g., the 50/25 mature forest policy) put in place after the HCP development process are now under consideration for being dropped. Rescinding
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¹³ The 2003 audit team was informed that these interim policies were adopted without formal scientific or public review.

<p>Score: 75</p>		<p>consideration for being dropped. Rescinding those policies will move DNR towards a less precautionary approach to,management.</p> <ul style="list-style-type: none"> • Field-level personnel consistently expect, when queried, that the sustainable harvest level for their respective units will either be no higher or, more appropriately given the current constraints, drop after the recalculation process has been completed; yet, 4 of the 6 alternatives presently being vetted call for a higher planned harvest level • There is a risk that the SHC will not yield appropriate harvest levels if the updated delineation of the “on base” area available for commercial timber management does not fully delete areas that have been and remain effectively but not formally “off base” • The even-flow constraint can lead to undue reliance on the “allowable cut effect” whereby current harvest levels are increased on the basis of provisional and unassured predictions of future growth that if not achieved would render the allowable harvest level unsustainable (this is an intrinsic risk associated with flow-constrained volume control harvest scheduling models)
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Findings: There are three regional indicators associated with this Criterion that the audit team considered.

In the judgment of the audit team, the current state of and context for DNR’s allowable harvest determination process cannot be considered as exemplary (i.e., a score of 80 points or higher).

Notable deficiencies include:

1. The current allowable harvest level is not based upon an accurate characterization of field-level constraints on timber management and, as such, is overly optimistic and not attainable. Harvesting at the current allowable level in the current field-level context is simply not sustainable, a fact apparently recognized by most DNR personnel.
2. Despite the known problems with the current allowable harvest level, the problem has persisted for several years, with at least one more year of discrepancy between field circumstances and the theoretical estimated of sustainable harvests.
3. DNR planners and policy makers have elaborated and are presently vetting 6 allowable harvest scenarios, 5 of which rely upon dropping key field-level constraints that were established in the Forestry Handbook and that collectively contribute, in the judgment of the audit team, to a precautionary aspect to DNR’s management of the state trust forestlands. Four of the 6 scenarios/alternatives call for a substantial increase in the allowable harvest level. In the 2000 certification audit, these Forestry Handbook policies/constraints that are now at risk of being dropped provided, in part, the foundation upon which an offer of certification was extended to DNR. Dropping these policies will move DNR’s management away from certifiably performance.

The team has assigned a score that connotes “non-conformance” with this Criterion, as

elaborated by the Pacific Coast Regional Standard.

Findings and Conclusions:

This FSC Principle addresses a rather heterogeneous collection of topics ranging from economic viability (C5.1) to enhancing forest services (C5.5) to sustained yield harvest calculations (C. 5.6). With all but the 2nd and 6th Criteria, the audit team has found the DNR's management of the trust forestlands to be in solid conformance with the Pacific Coast Regional Standard.

The most significant non-conformances relate to the DNR's still ongoing effort to recalculate the sustainable harvest level for the west-side trust forestlands. Even though the current sustainable harvest level is, in fact, widely regarded as non-sustainable (because it is based upon planning assumptions that do not accurately reflect current required field procedures), the process for recalculation will not be completed, at the earliest, until the second half of 2004. But of greater potential consequence to the "certifiability" of the west-side trust forestlands is the fact that the current and ongoing sustainable harvest deliberations may well result (in the judgment of the audit team) in the abandonment or substantial revision of several key Forestry Handbook "practices and tasks" that:

- Were key aspects of the management program examined in 2000 and that helped to justify the offer of FSC-endorsed certification in 2001 and,
- Collectively constitute a tangible manifestation of a "precautionary approach" to forest management, an approach that is highly responsive to the thrust and spirit of the FSC Pacific Coast Regional Standard.

The SCS audit team fully recognizes that its findings with respect to Criterion 5.6 and the sustainable harvest calculation process in general will be closely examined by participants in the SEPA-mandated public deliberations over the sustainable harvest alternatives that are now being vetted. We also wish to point out that we were not asked to nor did we expressly examine in detail each of the 6 SEPA alternatives. Nevertheless, it is our collective judgment based upon the information made available to us and gathered through a variety of means that at least 4 and perhaps 5 of the 6 alternatives, if implemented, could mean that DNR is pursuing a course that diverges from rather than converges towards the type of forest management that would conform well to the FSC Pacific Coast Regional Standard.

Corrective Action Requests and Recommendations:

CAR 2003.2: Expeditionously complete the sustainable harvest re-calculation process such that the results do not depart from the levels of environmental protections presently employed in managing the trust forestlands

Importance Weighted Aggregate Score for Principle 5:

Employing the PAIRWISE algorithm, the evaluation team assigned weights of relative importance for each of the 6 Criteria in this Principle. Under SCS' accredited protocols,

assignment of weights of relative importance is one means by which certification evaluations recognize and incorporate regional and sub-regional circumstances. In this case, the weights were designed to reflect the regional context in which the subject forest management unit is located

FSC Principle #5 <i>Benefits from the Forest</i>	Normalized Relative Importance Weights	Performance Scores	Weighted Average Score
5.1	.21	84	81.2
5.2	.11	80	
5.3	.07	82	
5.4	.11	88	
5.5	.20	84	
5.6	.30	75	
			81.2

Applying the normalized weights of relative importance to the 6 assigned performance scores, and rounding to the nearest integer, leads to a weighted average score for the Principle of:

81

Per SCS protocols duly accredited by the FSC, and as this weighted average score is in excess of 80 points, acceptable overall conformance to this FSC Principle is confirmed. This finding would require reconsideration in the event that DNR were to change policies and/or practices pertinent to the scope of this Principle, subsequent to issuance of this report. In light of the marginal nature of overall conformance with this FSC Principle (a weighted average score of 81 as compared to the threshold of 80 points), DNR's general readiness to achieve FSC-endorsed certification could be jeopardized depending upon the outcome of the sustainable harvest calculation process. In particular, selection of a sustainable harvest level that necessitates or is premised on the abandonment of key environmental safeguards will likely preclude FSC-endorsed certification.

SECTION 1.6 PRINCIPLE #6: ENVIRONMENTAL IMPACT

This FSC Principle is elaborated by a set of 10 Criteria that focus on issues such as impact assessments, protection of listed species, biodiversity, reserve areas, streamside and wetlands buffers, erosion control, exotic species, chemical use, high conservation value forests, and forest conversions. Of all the FSC Principles, this one is the most expansive in scope, with an associated high level of emphasis on data and information collection and analysis. Collectively, the thrust of this principle encourages the maintenance and restoration of natural forest conditions.

6.1 Assessment of environmental impacts shall be completed - appropriate to the scale, intensity of forest management and the uniqueness of the affected resources - and

adequately integrated into management systems. Assessments shall include landscape level considerations as well as the impacts of on-site processing facilities. Environmental impacts shall be assessed prior to commencement of site disturbing operations.

- 6.2 Safeguards shall exist which protect rare, threatened and endangered species and their habitats (e.g., nesting and feeding areas). Conservation zones and protection areas shall be established, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources. Inappropriate hunting, fishing, trapping and collecting shall be controlled.
- 6.3 Ecological functions and values shall be maintained intact, enhanced, or restored, including:
 - a. Forest regeneration and succession.
 - b. Genetic, species and ecosystem diversity.
 - c. Natural cycles that affect the productivity of the forest ecosystem
- 6.4 Representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps, appropriate to the scale and intensity of operations and the uniqueness of the affected resources.
- 6.5 Written guidelines shall be prepared and implemented to: control erosion; minimise forest damage during harvesting, road construction, and all other mechanical disturbances; and protect water resources.
- 6.6 Management systems shall promote the development and adoption of environmentally-friendly non-chemical methods of pest management and strive to avoid the use of chemical pesticides. World Health Organisation Type 1A and 1B chlorinated hydrocarbon pesticides; pesticides that are persistent, toxic or whose derivatives remain biologically active and accumulate in the food chain beyond their intended use; as well as any pesticides banned by international agreement, shall be prohibited. If chemicals are used, proper equipment and training shall be provided to minimise health and environmental risks.
- 6.7 Chemicals, containers, liquid and solid non-organic wastes including fuel and oil shall be disposed of in an environmentally appropriate manner at off-site locations.
- 6.8 Use of biological control agents shall be documented, minimised, monitored and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited.
- 6.9 The use of exotic species shall be controlled and actively monitored to avoid adverse ecological impacts
- 6.10 Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:

- a) entails a very limited portion of the forest management unit; and**
- b) does not occur on high conservation value forest areas; and**
- c) will enable clear, substantial, additional, secure, long term conservation benefits across the forest management unit.**

<i>Criterion</i>	<i>Strengths Relative to the Standard</i>	<i>Weaknesses Relative to the Standard</i>
C6.1 Assessment of environmental impacts shall be completed - appropriate to the scale, intensity of forest management and the uniqueness of the affected resources - and adequately integrated into management systems.	<ul style="list-style-type: none"> • Project-level impact assessments are standard operating procedure • All environmental assessments are publicly available • Small, continuous clear-cuts create good foraging areas for elk and thus enhancing population numbers. • Some forests, such as the Capitol Forest, have forest wide harvest plans that allow for project by project assessments of resource impacts 	<ul style="list-style-type: none"> • The landscape planning initiative that was a prominent feature in the 2000 audit is being replaced with a new, as yet not fully developed and documented approach; field staff desire direction from Olympia as to the form and function that landscape planning will take under the new planning approach¹⁴. • In the view of the audit team, a gap remains with respect to a readily discernable vision for the landscape-scale management of DNR Trust Lands over the long term¹⁵; while we recognize the prospective direction provided by the HCP (in terms of “desired future conditions”), we believe that a truly comprehensive strategy for achieving predetermined ecological landscape vegetation patterns (through silvicultural treatments) requires a unifying vision articulated at a conceptual/organizational level above/beyond that of the HCP. • Field biologists are still largely pre-occupied only with endangered species. • Many key/interim strategies (e.g., the 50/25 mature forest component policy and deferral of harvest in owl circles) put in place after initial approval of the HCP are now under consideration for being dropped. It is the judgment of the audit team that rescinding those interim strategies will result in DNR’s management of the trust forestlands being less precautionary,
Score: 77		

Findings:

There are five regional indicators associated with this Criterion and that the audit team considered.

Within the management constraints, which are (in the judgment of the audit team) exacerbated by the withdrawal of the landscape-scale planning initiative that was a prominent feature at the time of the 2000 audit, the field personnel are doing the best they can in a professional manner: Project-level environmental impacts are being evaluated and considered prior to undertaking site-disturbing activities. DNR scientists and specialists, in

¹⁴ Subsequent to the completion of the 2000 certification audit, DNR managers reached the conclusion that the landscape planning approach then in place and presented to the 2000 SCS audit team was not logistically viable.

¹⁵ Without a clear landscape-scale vision/plan based on sound ecological principles and that expressly considers forest conditions on neighboring ownerships, there is a danger of creating uniformity across the landscape, as has occurred in many places on the federal forest estate

collaboration with other agencies, have actively studied ecological processes and the flora and fauna found on the trust forestlands. Particularly in the context of the HCP, the Department has endeavored to characterize current ecological conditions relative to historical conditions.

The notable deficiency within the scope of this Criterion is the substantial redirection that DNR is presently undertaking with respect to landscape planning. While the ongoing sustainable harvest calculation process does include an iterative mechanism for vetting field-level considerations vis-à-vis Departmental-level considerations, this does not, in the view of the audit team, constitute an adequate replacement for the admittedly daunting but nevertheless very laudatory landscape planning initiative that was just gearing up in 2000. In simple terms, and in the view of the audit team, the DNR is no longer pursuing its prior landscape planning initiative and there is presently nothing comparable to replace it. Without a landscape-scale plan, it is very difficult to design and implement management activities (such as timber harvests) that create vegetation patterns across the forested landscape that achieve ecological objectives. When an ecosystem is “stressed,” such as through repetitive human interventions that are not unified/guided by a landscape-level design, the system can begin to deteriorate over time.

¹⁶ Without a landscape-scale plan, there is a far greater likelihood of homogenizing the forested landscape through fragmentation, especially when the mixture of state lands and private lands is taken into account.

On balance, the present absence of an actively pursued landscape planning process compromises the DNR’s ability to understand and emulate those landscape vegetation patterns and underlying ecological processes with which the forests have evolved. Notably, some endangered species require, such as spotted owls, fundamentally are reliant on the extent to which active management emulates these landscape vegetation patterns (see paragraph 2 in the Memorandum of Understanding between the Department of Natural Resources and the Department of Fish and Wildlife, dated December 9, 2002). Stated in another way, there is currently no landscape-planning tool available to field personnel to provide contexts for and guide tactical-level management decisions. In our opinion: if such a planning tool is imposed from the top down, there is likely to be relatively little investment of on-the-ground knowledge in it compared to landscape-planning tool that is derived from the bottom up.

In light of this deficiency with respect to landscape planning, it is deemed necessary that the score signify a level of performance “**marginally below**” the threshold of conformance with this Criterion, as elaborated by the Pacific Coast Regional Standard.

¹⁶ (Rapport, David J. 1989. What constitutes ecosystem health? *Perspectives in Biology and Medicine* 33:120-132.; Rapport, David J., H.A. Regier, and T.C. Hutchinson. 1985. Ecosystem behavior under stress. *American Naturalist* 125:617-640.)

<p>C6.2 Safeguards shall exist which protect rare, threatened and endangered species and their habitats (e.g., nesting and feeding areas). Conservation zones and protection areas shall be established, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources. Inappropriate hunting, fishing, trapping and collecting shall be controlled.</p>	<ul style="list-style-type: none"> • The HCP has led to the institutionalization of effective protection measures for owls, murrelets and salmon; in the judgment of the audit team, interim HCP implementation strategies incorporated into the Forestry Handbook clearly augment the level of protection provided by the HCP • When possible, HCPs owl management areas are tied into such features as Riparian Management Zones, which greatly augments their biophysical function in space and time because of the additional protection give to such areas as the RMZs. • DNR is engaged in a very active program to eliminate barriers to fish passage (e.g., at road/stream crossings) 	<ul style="list-style-type: none"> • Attention paid to listed plant species is inadequate • DNR does not have botanists attached to field units. • If DNR were to modify its approach from “HCP+” to the contractual minimums set forth in the HCP, the level of conformance with this criterion could be reduced. • Under the HCP it is recommended to leave three snags per acre “where feasible,” but, using L&I requirements as justification, only one snag per acre may be left. • No large, coarse wood debris retention targets are incorporated into the HCPs; in the judgment of the audit team, there is insufficient attention paid to retention of large woody debris • Due to structural deficiencies, spotted owl dispersal habitat is of diminished functionality¹⁷ • The marbled murrelet strategy, not yet developed but intended to replace the interim strategy, is at risk, in our judgment, if it is not built upon proper documentation and extensive field “truthing.” • DNR has not, as yet, committed sufficient resources to monitor the on-the-ground responses to the HCP; e.g., assessing the success of owl breeding and habitat use.¹⁸
<p>Score: 88</p>		

Findings:

There are three regional indicators associated with this Criterion that the audit team considered.

The audit team concludes that the HCP, particularly as augmented by the interim strategies, has not only institutionalized a “precautionary” approach to forest management in a wise and prudent manner but also more closely tied these critical habitat areas into the overall forested ecosystem, thus better serving the long-term biophysical sustainability of the Trust Lands. A precautionary approach to forest management is prudent because perfect data will always be elusive and because the basic, underlying wealth of the Trust Lands is the health and biophysical integrity of natural ecological systems operating on the landbase.

On balance, the manner in which HCP management is currently augmented with the interim strategies is justification for a score that signifies performance **“clearly above”** the threshold of conformance with this criterion—despite the fact that coarse woody debris receives inadequate attention and large snags are presently at minimal levels. However, should the interim strategies be rescinded, the score may require downward revision

¹⁷ That component of spotted owl management areas under the HCP categorized as “dispersal habitat,” while manipulated to create structurally large trees faster, generally has less than optimal coarse woody debris on the ground and a general paucity of snags. The insufficient presence of these key structural attributes means that there is insufficient support for the owl’s prey (, e.g., northern flying squirrels and red-backed voles), which require both snags and large woody debris. Moreover, large trees that are relatively young do not serve the same function as large trees that are physiologically old. It is the age of the tree—as well as its size—that is vital to the viable function of spotted owl dispersal habitat. (Note: the audit team recognizes that the HCP including the dispersal habitat component was developed with the involvement of owl biologists.)

¹⁸ The audit team was informed that species-oriented monitoring is being conducted by other agencies. The audit team is not aware of a publicly available document that comprehensively describes these other monitoring efforts and how they integrate with what DNR is undertaking.

because the “minimum” or contractual requirements established under the signed HCP agreement may well be inadequate to meet significant portions of this Criterion—perhaps even the Criterion itself.

<p>C6.3 Ecological functions and values shall be maintained intact, enhanced, or restored....</p>	<ul style="list-style-type: none"> • The extent of green-tree retention in some regions is remarkably good (e.g., in Capital Forest) but not in all regions. • The green trees retained in cut areas are legacy trees that will become snags and/or fallen trees, hence coarse woody debris. • All large fallen trees that have been on the ground for at least three years (Capitol Forest) to five years (Mossy Grow) are to remain in the sale area. • In some instances, such as the Four-Corners sale, large concentrations of fallen trees were flagged as “no equipment zones” to protect their ecological integrity and function. In addition, some skid trails in the Four-Corners sale were designed to protect large down trees, but were subsequently ignored by equipment operators. • In some ecologically (and aesthetically) justified cases, the number of green trees allowed to remain within harvest openings exceeds the minimum 8 trees/acre. • Forest acreage is set aside to protect riparian zones and owl circles; this will 	<ul style="list-style-type: none"> • Sixty-year rotations are only marginally sufficient to maintain long-term ecological functions within the “matrix” component of the managed forest • DNR is considering both shorter rotations (50 years on the west-side planning units) as well longer rotations, but it is a shift to shorter rotations that would be of concern • There is significant variability across regions in terms of the extent of green tree retention within harvest units • The insufficient retention of coarse woody debris in harvest openings increases the likelihood of an organic material “shortfall” that may well affect soil fertility, until the green retention trees become old enough to fill the gap, through mortality.¹⁹ • Large, coarse woody debris is left on landings (e.g., Why Too Kay sale) and placed in roadside piles, with, little or none left in cut areas, and little thought is given to the role of large wood in soil fertility. • Large, woody debris slated to be left in the sale area is often unnecessarily broken up by the use of logging equipment, whereas they could be
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¹⁹ This gap in coarse woody debris can affect soil fertility the same way a gap in the distribution of age classes can affect the sustainability of harvests.

<p>Score: 84</p>	<p>allow for mid/late successional stands in the future</p> <ul style="list-style-type: none"> • In some projects, good, large diameter trees are left for retention. This will allow for some old growth trees within stands • Steps are taken to reduce hazardous fuels and infrastructure is in place to manage for fires • Debris is cleared from roadsides to protect forest from unnatural fires • Fire reintroduction is desirable and managed for • Stands with old-growth characteristics are, for the most part, not being harvested; old growth is also being recreated in some areas (riparian, owl circles/marbled murrelet areas, leave-trees, legacy, etc) • HCP is good at protecting certain critical habitat and thus creating buffers • Snag protection is managed for, though often the clumps are not large enough to protect the snags • DNR is managing for hardwoods that are marketable; not eradicating hardwoods • The green-up rule, while not at the fore front of landscape management, at least helps to minimize large blocks of open land or early-successional vegetation 	<p>flagged to protect them, such as the Four-Corners sale.</p> <ul style="list-style-type: none"> • What coarse woody debris is left on site is poorly distributed and usually oriented across the contours, which negate most of its biophysical functions. • Where coarse woody debris requirements are in force, the requirement is one log that is twenty feet long and twelve inches in diameter at the large end—that is too few and too small. • Natural ecological processes are not adequately mimicked in forest management operations (size of cuts, configuration of cuts, connectivity, amount of coarse woody debris left, etc) • Harvest operations during winter season could unnecessarily compact the soil • Problems with conservation of soil and soil fertility • Not enough snags left • Some cut openings are greater than 60 acres • Rotation age is still low, relative to ecological life-span of the species being managed
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Findings:

There are total of twenty-five regional indicators associated with this Criterion, spread across 6 sub-criteria, that the audit team considered. Although a 60-year rotation age is marginal with respect to biophysical functions within the forest, some of the green-tree retentions (most notably, Capital Forest) are excellent in that they are not only above the minimum and thus ecologically superior but also well tied into the surrounding stands as clumps and dispersed trees. In addition, some of the clumps are used to anchor large snags in a way that is both ecologically sound and acceptable to the L&I.

If the current approach to assuring a “precautionary” approach (as contained in the Forestry Handbook) is eliminated in favor of the contractual requirements contained in the signed HCP agreement, the audit team considers it likely that there will not be sufficient numbers of green trees left in harvest units, and that possess adequate size, structural and age variation, to meet the leave tree requirements found in the Pacific Coast Regional Standard.

Although few cut areas have adequate coarse woody debris to complement current levels of green-tree retention, those forest units that do have generally adequate levels of coarse woody debris, such as the Capital Forest and the Olympia Experimental State Forest, have most of it oriented across the contours (which negates many of its most beneficial, biophysical functions, such as the retention of water) instead of along the contours (which augments its beneficial, biophysical functions). In addition, large, cull logs are often incorporated into “burn piles” and/or left on landings, where they serve no biophysical purpose.

On balance: The current green-tree retention levels in most cases offsets the 60-year rotation age to a sufficiently to warrant a score signifying performance **“above”** the threshold of conformance with this criterion. However, this score connoting conformance to the standard would require reconsideration if changes in “procedures and tasks” were to materially reduce the current “precautionary” approach to management. The score can be improved by making the retention of coarse woody debris an integral part of every timber sale.

<p>C6.4 Representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps, appropriate to the scale and intensity of operations and the uniqueness of the affected resources.</p>	<ul style="list-style-type: none"> • DNR is presently managing 48 preserves, throughout the west side. • There are some good ecological reserves set aside. • Management of reserves appears to be ecologically sound. • The reserve system is wisely separated from timber management to avoid conflicts of interest. • Where recreational use is ecologically compatible with a reserve, low-impact use is allowed. • DNR has a system of gene-pool reserves. • Old-growth forests and Riparian Zone Management Areas are de facto reserves. • There is a mechanism with which to transfer Trust forestlands into the reserve system to prevent a conflict of interest with matrix lands: This mechanism has been used within the past three years to increase the size of some reserves. 	<ul style="list-style-type: none"> • A substantial portion of the land areas presently not being managed for commercial timber production are not permanent set asides • It is unclear as to whether the reserves will be held in their current ecological condition or will be allowed to progress by nature's dictates along an ecological continuum into the future. • While some components have been guided by strategic designs (e.g., NAPs, NRCAs), the overall network of ecological reserves on the trust forestlands have been accumulated in a largely piecemeal fashion, not in a carefully planned, cohesive reserve system. • In the judgment of the audit team, the total extent and ecological representation of the permanently protected reserves is deficient. • Many reserve boundaries have not been set or fully identified due to uncertainty over financial impacts • Many of the reserves are based on plant communities, not on ecological features.
<p>Score: 85</p>	<ul style="list-style-type: none"> • In the Markworth State Forest, DNR personnel are working with a local land conservancy to acquire and reserve private inholdings. • DNR staff are working on integrating connectivity into management plans and landscape patterns • The Legacy Trust, if implemented as intended, will provide a mechanism for long-term funding for reserve management. 	
<p>Findings: There are four regional indicators associated with this Criterion that the audit team considered.</p> <p>Although some excellent parcels of land have been set aside as ecological reserves (such as Merrill Lake, Table Mountain, and Columbia Falls), the approach still seems to be too piecemeal (perhaps with the exception of the NAPs and NRCAs) and does not lend itself to a fully functional ecological reserves system, which includes High Conservation Value Forests. The audit team takes positive note of the clearer vision concerning the purpose of the ecosystem reserves articulated in the "State of Washington Natural Heritage Plan" published in April 2003 by the DNR.</p> <p>On balance, the importance of NRCAs and the NAPs cannot be overemphasized. For this reason, the number and quality of the existing NRCAs and the NAPs, as well as their currently sensitive management warrant a score that signifies performance "above" the threshold of conformance with this criterion. The audit team is not aware of any potential changes in departmental policy regarding reserve areas, with the possible exception of old growth areas. Were changes instituted, such as that would lead to harvesting of old growth, conformance to this Criterion could be compromised.²⁰</p>		

²⁰ Under the FSC Pacific Coast Regional Standard, harvesting of unentered old growth on non-tribal forestland would, in and of itself, constitute a barrier to certification.

<p>C6.5 Written guidelines shall be prepared and implemented to: control erosion; minimise forest damage during harvesting, road construction, and all other mechanical disturbances; and protect water resources.</p>	<ul style="list-style-type: none"> • Under the current interim guidelines, streams, rivers, and wetlands are well protected. • There is a plan being implemented to abandon roads that parallel streams and rivers, which includes a long stretch of county road in the South Puget Sound Region that was purchased with the expressed purpose of abandoning it. • Part of the plan to abandon roads includes those that are no longer needed for the purpose of forest management. • There is an aggressive fifteen-year plan being implemented, with the help of the tribes, to replace all culverts that block the passage of fish. • Particularly if trees left in RMZs are counted, the legacy and reserve tree policies are in clear conformance with the leave tree requirements of the Pacific Coast Regional Standard. • Tree damage due to thinning operations is very limited. In most cases, DNR personnel are monitoring operations to ensure that impacts to trees, skid trails and off-site impacts are minimized as per the contracts. • Helicopter operations (Eager Beaver) and cable operations have been used on ecologically and socially (tribal and scenic) sensitive areas. 	<ul style="list-style-type: none"> • If the current interim guidelines to protect streams, rivers, and wetlands are withdrawn or in anyway modified to extend less protection than is currently afforded, that would adversely affect aquatic habitats and water quality. • While some areas have been logged only until the ruts caused by the equipment reach six inches in depth, it is our opinion that the soil was still too wet, despite the fact that the equipment operation may have placed branches in front of the equipment to mitigate its impact. • When bio-solids are applied to the forest as fertilizer, they are kept at least fifty feet from all aquatic habitats, but there is still concern on the part of the team that some can leach into the water during winter storm events, such as heavy rain or rain-on-snow. • There are observed inconsistencies in the extent to which leave tree policies are implemented in the field. • DNR is contemplating dropping the “leave 7% of pre-harvest trees” policy, which would be one more incremental move towards a less precautionary style of forest management.
<p>Score: 89</p>		
<p>Findings: There are a total of twenty-two regional indicators associated with this Criterion that the audit team considered.</p> <p>With the current interim guidelines in place to protect streams, rivers, and wetlands,, the aquatic portion of the forest ecosystem is not only in relatively good shape on DNR lands but also is dramatically improving. In addition, there are examples of sound ecologically based manipulation of the riparian zones so restore quality habitat and ecological processes, such as that in the Olympic Experimental State Forest. Further, the correction of fish barriers is excellent (for example, along C-Line in the Capitol Forest) and the reconfiguration of the road system is exemplary.</p> <p>On balance, if the strategy to protect the aquatic portion of the forested ecosystem, to be completed within the next four months, maintains at least the level of protection currently afforded by the interim strategy, then the above score, which signifies performance “clearly above” the threshold of conformance with this criterion, is justified. If, however, the pending strategy provides less protection, the score will likely be revised downward. Nevertheless, the awarded score is strengthened by the excellence of the road-abandonment program and the aggressive correction of to blockages to fish passage.</p>		

<p>C6.6 Management systems shall promote the development and adoption of environmentally-friendly non-chemical methods of pest management and strive to avoid the use of chemical pesticides.</p> <p>Score: 90</p>	<ul style="list-style-type: none"> • The only areas that receive an application of chemicals are those roadsides that become so overgrown with red alder seedlings that the visibility of drivers is impaired enough to be dangerous. • Except for an occasional patch of big-leaved maples, control of unwanted vegetation, as well as the release of crop trees is performed mechanically. 	<ul style="list-style-type: none"> • DNR does not have a formally stated policy to eventually eliminate routine use of herbicides
<p>Findings: There are six regional indicators associated with this Criterion that the audit team considered.</p> <p>The DNR merits, in the judgment of the audit team, a score that signifies a performance of “clearly above” the threshold of conformance with the criterion since the DNR is virtually chemical free in its forest management.</p>		
<p>C6.7 Chemicals, containers, liquid and solid non-organic wastes including fuel and oil shall be disposed of in an environmentally appropriate manner at off-site locations.</p> <p>Score: 90</p>	<ul style="list-style-type: none"> • Chemical application takes place only very rarely and that which does is carefully controlled. • Heavy equipment and vehicles were not observed parked within riparian management zones or other hydrologically sensitive areas 	<ul style="list-style-type: none"> • The audit team is not aware of any written policies that require equipment operating on state forestland to be routinely checked for leaking fluids
<p>Findings: There are four regional indicators associated with this Criterion that the audit team considered.</p> <p>In the judgment of the SCS update audit team, the DNR clearly deserves a score that signifies a performance of “very clearly/ superlatively above” the threshold of conformance with the criterion since the DNR is virtually chemical free in its forest management, and that which is use is carefully controlled.</p>		
<p>C6.8 Use of biological control agents shall be documented, minimised, monitored and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited.</p>	<ul style="list-style-type: none"> • WDNR does not use GMOs within the State Forest System. • Bt is occasionally used where severe outbreaks occur and is part of an IPM approach, a well documented process. 	<ul style="list-style-type: none"> • DNR, as far as the audit team is aware, does not maintain a comprehensive register of all biological control agents that have been deployed on the state forests.

Score: 89		
Findings: There is one regional indicator associated with this Criterion that the audit team considered. Generally, the team found that DNR avoids use of exotic species and biological control agents and that, when used, a reasonable level of scientific inquiry first takes place. Accordingly, the team has assigned a score that connotes “clear conformance” with this criterion, as elaborated by the Pacific Coast Regional Standard.		
C6.9 The use of exotic species shall be controlled and actively monitored to avoid adverse ecological impacts	<ul style="list-style-type: none"> The only use of exotic species that we, the team, are aware of is the herbaceous mix of clover and grasses used to stabilize 	<ul style="list-style-type: none"> Domestic holly is still invading both the Capitol Forest and the Lower Chehalis, and there is no policy to deal with it; once ripe holly berries become available, however, it will be spread much more rapidly by birds and may well become a problem. Domestic butterfly bush is now accompanying the holly. Scots broom is reasonably abundant along the forest roads in the area north of Forks, but is normally shaded out by the closure of conifer crowns. Some spots of Scots broom were hand sprayed three years ago because they got too dense. Grass seed mixes used on roadways and landings may contain non-native species
Score: 88		
Findings: There are two regional indicators associated with this Criterion that the audit team considered. Although the DNR is fortunate in that little problem with exotic plants occurs on DNR lands, there are three species that do occur: domestic holly, horticultural butterfly bush, and Scots broom. Except for Scots broom, which does not seem to be a problem because growth of the forest shades it out before it can spread beyond the road margins, there is no action to control the spread of either the holly or butterfly bush. Therefore, since both the holly and the butterfly bush are, as yet, only potential problems, the DNR is, on balance, awarded a score that signifies performance “ clearly above ” the threshold of conformance with this criterion. However, if the above-mentioned species “get out of hand,” the score would likely be lowered.		
C6.10 Forest conversion to plantations or non-forest land uses shall not occur....	<ul style="list-style-type: none"> DNR’s silvicultural regimes, while even-aged in nature, nevertheless can be credibly associated with practicing “natural forest management” as defined by the FSC; thus, conversion to plantations is not occurring 	<ul style="list-style-type: none"> There are lands outside the major forest boundaries that will be traded for lands inside the forest boundaries. In the trading process, these outside lands may be valued for non-forestland uses and, thus, be converted to non-forest uses.
Score: 85	<ul style="list-style-type: none"> There is no “type conversion,” but there is some re-introduction of Douglas fir into historic fir sites. 	<ul style="list-style-type: none"> If DNR even-aged timber management rotations were to be reduced below 50 years, the silvicultural regimes would likely be classified as “plantation forest management” and DNR would be in clear non-conformance with this Criterion.

Findings: There are no regional indicators for this Criterion. In the judgment of the SCS audit team, the DNR's management program on the state forestlands constitutes "conformance" with this Criterion. However, performance relative to this Criterion could be enhanced if policies were implemented assuring that lands sold or traded could not end up being converted to non-forest uses by the subsequent owners.

Findings and Conclusions:

When considering the whole of Principle 6, the DNR has earned a score of 87.3, which is a performance **"clearly above"** the threshold required to be in compliance with Principle 6. The score is based on six of ten criteria that are **"clearly above"** the threshold required to be in compliance with the respective criteria (6.2, 6.4, 6.5, 6.8, 6.9, and 6.10); two that are **"very clearly (or superlatively) above"** the threshold required to be in compliance with the respective criteria (6.6 and 6.7); one that is **"marginally above"** the threshold required to be in compliance with the criterion (6.3); and one that is **"marginally below"** the threshold required to be in compliance with the criterion (6.1).

Although, on balance, the DNR is doing an admirable job with respect to Principle 6, there are two caveats:

1. If a biophysically sound landscape planning methodology (and the organizational vision that guides it) is not forthcoming in the foreseeable future, ongoing management activities on the land could generate effects and impacts with adverse ramifications in terms of the degree of conformance to Criterion 6.1, Criterion 6.2, Criterion 6.3, Criterion 6.4, and Criterion 6.5, thus significantly lowering the DNR's overall score with respect to Principle 6.
2. If the current, interim strategies that are now in place with respect to Criterion 6.2, Criterion 6.3, and Criterion 6.5 are eliminated in favor of reliance upon the contractual requirements found in the signed HCP agreement, performance relative to those Criteria will suffer moderate to severe negative impacts that will put DNR in non-conformance with the requirements to attain FSC certification; more importantly, loss of these notably precautionary interim strategies and policies could result in unforeseen and largely negative impacts across the state forests.

Corrective Action Requests:

CAR 2003.3: Institute a transparent, well-documented, iterative and reasonably decentralized landscape planning process, the results of which are utilized to appropriately balance and modify "top-down" allowable harvest targets with field/landscape level constraints and objectives.

Importance Weighted Aggregate Score for Principle 6:

Employing the PAIRWISE algorithm, the evaluation team assigned weights of relative importance for each of the 10 Criteria in this Principle. Under SCS' accredited protocols, assignment of weights of relative importance is one means by which certification evaluations

recognize and incorporate regional and sub-regional circumstances. In this case, the weights were designed to reflect the regional context in which the subject forest management unit is located

FSC Principle #6 <i>Environmental Impact</i>	Normalized Relative Importance Weights	Performance Scores	Weighted Average Score
6.1	.14	77	87.3
6.2	.10	88	
6.3	.17	84	
6.4	.09	85	
6.5	.17	89	
6.6	.08	90	
6.7	.03	90	
6.8	.04	89	
6.9	.05	88	
6.10	.15	85	

Applying the normalized weights of relative importance to the 10 assigned performance scores, and rounding to the nearest integer, leads to a weighted average score for the Principle of:

87

Per SCS protocols duly accredited by the FSC, and as this weighted average score is in excess of 80 points, acceptable overall conformance to this FSC Principle is confirmed. This finding would require reconsideration in the event that DNR were to change policies and/or practices pertinent to the scope of this Principle, subsequent to issuance of this report.

SECTION 1.7 PRINCIPLE #7: MANAGEMENT PLAN

This Principle is elaborated through 4 Criteria, which collectively call for a very high level of commitment to management planning. Criterion 7.4 expressly requires that certified forest management operations make a summary of the management plan available to the public.

7.1 The management plan and supporting documents shall provide:

- a) **Management objectives.**
- b) **Description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands.**
- c) **Description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories.**
- d) **Rationale for rate of annual harvest and species selection.**
- e) **Provisions for monitoring of forest growth and dynamics.**

- f) Environmental safeguards based on environmental assessments.**
 - g) Plans for the identification and protection of rare, threatened and endangered species.**
 - h) Maps describing the forest resource base including protected areas, planned management activities and land ownership.**
 - i) Description and justification of harvesting techniques and equipment to be used**
- 7.2 The management plan shall be periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic considerations.**
- 7.3 Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plan.**
- 7.4 While respecting the confidentiality of information, forest managers shall make publicly available a summary of the primary elements of the management plan, including those listed in Criterion 7.1.**

Criterion	Strengths Relative to the Standard	Weaknesses Relative to the Standard
C7.1 The management plan and supporting documents shall provide...	<ul style="list-style-type: none"> DNR has a management plan (as represented through a compilation of planning documents including but not limited to the Forest Resource Plan and the HCP) that meets FSC plan content requirements 	<ul style="list-style-type: none"> It is widely expected, within DNR and amongst outside stakeholders, that a new as yet not elaborated “synthesis alternative” for the sustainable harvest calculation process will be developed after the close of public comment on the 6 alternatives that have been developed, thus far. As of August, 2003, DNR had not yet committed to having this possible new alternative fully vetted with its stakeholders, through SEPA public comment procedures. If this 7th alternative does not receive an adequate vetting, conformance to this criterion could be compromised. But, more recently, the audit team was informed that the Board of Natural Resources has now committed to holding 2 additional public meetings after selection or creation of a preferred alternative, with the results of the public meetings being considered in the preparation of the FEIS. There will also be public comments taken at Board meetings during the preferred alternative development process. The Forest Resource Plan is out of date, as its date of issuance was 1992, which means that most of the analyses supporting the plan were completed over a decade ago. The landscape planning initiative that was a prominent feature at the time of the 2000 audit has been largely abandoned and not yet replaced with a new approach
Score: 81		

Findings: There are twelve regional indicators associated with this Criterion that the audit team considered. In assessing the content of the DNR’s planning documents against the requirements enumerated in this Criterion, the audit team considered not only the Forest Resource Plan but also all appurtenant and supporting planning documents. The audit team was able to determine that all enumerated topics are covered, to varying levels of specificity and detail. Most notably, however, DNR presently falls short with respect to landscape-level planning. In light of the prominent manner in which it was presented to the auditors in 2000, the 2003 audit team was dismayed to learn this time around that the prior landscape planning initiative has been effectively abandoned. To make matters worse, the abandoned initiative has not yet been replaced by some other form of landscape planning that is understood by field personnel and that can clearly assure that tactical and strategic level decisions (such as the sustainable harvest level) are based upon a sound assessment of large scale considerations and implications. If this Criterion dealt solely with landscape level planning, the audit team would have awarded a performance score well below the threshold of certifiable performance. But because landscape level planning is just part of the larger scope of this Criterion and because these other aspects of

planning are being conducted at a higher level of competence, the team has assigned a score that connotes “marginal conformance” with this Criterion, as elaborated by the Pacific Coast Regional Standard.

<p>C7.2 The management plan shall be periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic considerations.</p>	<ul style="list-style-type: none"> • DNR is concerned about updating its management plan and has focused staff’s attention on the sustainable harvest calculation as a guide to support and revise resource planning guidelines. • The HCP includes an adaptive management component that facilitates incorporation of the results of new findings and scientific understanding 	<ul style="list-style-type: none"> • The most recent Forest Resource Plan was published in 1992, based upon data and analyses prior to 1992. As such, it has diminishing currency and needs to be updated • The recalculation of the sustainable harvest is very slow in coming and will not be completed until at least mid-2004 • As noted earlier, the management plan must be put into context of a landscape plan (beyond the landscape-level sideboards provided by the HCP) to identify ongoing environmental, social and economic considerations
<p>Score: 78</p>		

Findings: There is one regional indicator associated with this Criterion that the audit team considered. Notably, this indicator stipulates that management plans should be updated at intervals no longer than 10 years for forest operations that entail regular annual harvesting, as is the case with the state forests. Accordingly, the team has assigned a score that connotes “marginal non-conformance” with this Criterion, as elaborated by the Pacific Coast Regional Standard.

<p>C7.3 Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plan.</p>	<ul style="list-style-type: none"> • There is good communication from headquarters to field units about how the management plan is to be implemented. • DNR field personnel demonstrate a high level of general competence and commitment 	<ul style="list-style-type: none"> • Due to budget cuts, in-service training programs have been reduced. Field staff in some areas are not up-to-date with current technical knowledge • There is some concern that the training budget has been cut too much and with all the new foresters following the extensive retirements of senior foresters, the plan objectives and standardization between areas may be compromised.
<p>Score: 80</p>		

Findings: There are no regional indicators associated with this Criterion. The subject matter of this Criterion is particularly sensitive to budget reductions, as it means that resources are not available in sufficient amounts to assure ongoing workforce training. Budget shortfalls notwithstanding, the audit team believes that the DNR field staff remain sufficiently trained and educated to effectively implement the management plan. Accordingly, the team has assigned a score that connotes “marginal conformance” with this Criterion, as elaborated by the Pacific Coast Regional Standard.

<p>C7.4 While respecting the confidentiality of information, forest managers shall make publicly available a summary of the primary elements of the management plan, including those listed in Criterion 7.1.</p>	<ul style="list-style-type: none"> • The extensive expansion of the DNR web site has significantly improved the ease of public access to pertinent documents and information. • As a public agency, there is a high level of transparency of planning documents and supporting materials, as compared to private sector operations. 	<ul style="list-style-type: none"> • DNR has not produced a public summary that is formatted according to the plan content requirements listed in Criterion 7.1. A summary in that format would facilitate easy review by interested stakeholders, particularly those with an interest in FSC certification
<p>Score: 90</p>		

Findings: As a public agency, virtually all planning documents are available to the public in their entirety. Since 2000, DNR has made great strides in expanding its web site to become a robust repository of a wide variety of programmatic documents that enable the general public to obtain a wealth of information. Accordingly, the team has assigned a score that connotes “superlative conformance” with this Criterion.

Findings and Conclusions:

DNR pursues a wide variety of programs and initiatives that collectively comprise a solid effort at management planning. However, FSC requires that the breadth of that planning effort include subject matters that are not presently addressed sufficiently by DNR, such as social impact assessment. Further, the Pacific Coast Regional Standard requires that management plans be revised at intervals no longer than 10 years for large owners and the 1992 Forest Resource Plan is already in non-conformance with that requirement.

Corrective Action Requests and Recommendations:

CAR 2003.4: Expeditiously complete an update of the 1992 Forest Resource Plan in a manner that fully considers and incorporates current scientific and technical information and that reflects current and expected environmental, social and economic circumstances.

Importance Weighted Aggregate Score for Principle 7:

Employing the PAIRWISE algorithm, the evaluation team assigned weights of relative importance for each of the 4 Criteria in this Principle. Under SCS’ accredited protocols, assignment of weights of relative importance is one means by which certification evaluations recognize and incorporate regional and sub-regional circumstances. In this case, the weights were designed to reflect the regional context in which the subject forest management unit is located

FSC Principle #7 Management Plan	Normalized Relative Importance Weights	Performance Scores	Weighted Average Score
7.1	.44	81	81.2
7.2	.17	78	
7.3	.28	80	
7.4	.11	90	

Applying the normalized weights of relative importance to the 4 assigned performance scores, and rounding to the nearest integer, leads to a weighted average score for the Principle of:

81

Per SCS protocols duly accredited by the FSC, and as this weighted average score is in excess of 80 points, acceptable overall conformance to this FSC Principle is confirmed. This finding would require reconsideration in the event that DNR were to change policies and/or practices pertinent to the scope of this Principle, subsequent to issuance of this report.

SECTION 1.8 PRINCIPLE #8: MONITORING AND ASSESSMENT

As a conceptual and thematic companion to Principle 7, this Principle (elaborated through 5 Criteria) requires certified operations to engage in an aggressive and formal program of periodic monitoring of the impacts of management operations, focusing upon both bio-physical and socio-economic impacts as well as the extent of plan compliance.

- 8.1 The frequency and intensity of monitoring should be determined by the scale and intensity of forest management operations as well as the relative complexity and fragility of the affected environment. Monitoring procedures should be consistent and replicable over time to allow comparison of results and assessment of change.**
- 8.2 Forest management should include the research and data collection needed to monitor, at a minimum, the following indicators:**
 - a) Yield of all forest products harvested;**
 - b) Growth rates, regeneration and condition of the forest;**
 - c) Composition and observed changes in the flora and fauna;**
 - d) Environmental and social impacts of harvesting and other operations;**
 - e) Costs, productivity, and efficiency of forest management**
- 8.3 Documentation shall be provided by the forest manager to enable monitoring and certifying organizations to trace each forest product from its origin, a process known as the “chain of custody”**
- 8.4 The results of monitoring shall be incorporated into the implementation and revision of the management plan**

8.5 While respecting the confidentiality of information, forest managers shall make publicly available a summary of the results of monitoring indicators, including those listed in Criterion 8.2.

<i>Criterion</i>	<i>Strengths Relative to the Standard</i>	<i>Weaknesses Relative to the Standard</i>
C8.1 The frequency and intensity of monitoring should be determined by the scale and intensity of forest management operations as well as the relative complexity and fragility of the affected environment. Score: 77	<ul style="list-style-type: none"> • Greater emphasis is now being placed on HCP-related monitoring activities • Stand-level conditions, primarily focusing on the timber resource (each stocking and species composition) are monitored before and after timber harvests 	<ul style="list-style-type: none"> • On-going monitoring of the multi-species HCP successes or failures, not just habitat, but species numbers and health has not been part of the monitoring program. • While monitoring is conducted for HCP, other monitoring needs are not being adequately met, in frequency and intensity • The social effects of management activities are not systematically assessed, particularly at the local and regional level

Findings: There are two regional indicators associated with this Criterion that the audit team considered. Due to the general paucity of systematic/comprehensive monitoring programs outside of the HCP and due to the absence of an active and effective social impact monitoring process, the team has assigned a score that connotes “marginal non-conformance” with this Criterion, as elaborated by the Pacific Coast Regional Standard.

C8.2 Forest management should include the research and data... Score: 81	<ul style="list-style-type: none"> • Extensive records of timber harvest volumes are maintained • A continuous forest inventory system is in place and maintained • DNR carefully monitors cash flows, costs, revenues and other indicators of financial performance • DNR maintains a staff of research scientists engaged in focused studies, mostly related to the HCP 	<ul style="list-style-type: none"> • Assessments are not regularly carried out of impacts on local jobs and the viability of forest-based livelihoods of management activities • In assessing its trust obligations, it is the sense of the audit team that DNR does not adequately consider the economic (monetized) benefits associated with all forest goods and services, including water quality, fish and wildlife, aesthetics, recreational uses, etc • DNR does not formally monitor post-harvest environmental impacts, at the project level • Aside from timber species, there is not a systematic process for monitoring changes to flora found on the state forests
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Findings: There are twelve regional indicators, organized around five sub-criteria, associated with this Criterion that the audit team considered. While DNR conforms to several of the sub-criteria, weakness with respect to monitoring changes in major habitat elements and changes in the occurrence of rare species offsets strong performance relative to aspects such as monitoring of the timber resource. Accordingly, the team has assigned a score that connotes “marginal conformance” with this criterion, as elaborated by the Pacific Coast Regional Standard.

C8.3 Chain of custody	<ul style="list-style-type: none"> • DNR maintains detailed and accurate records of the volumes and species of timber harvested from the trust forestlands 	<ul style="list-style-type: none"> • DNR does not have a written (documented) control system for assuring the integrity of certified wood from “stump to forest gate”
Score: 80	<ul style="list-style-type: none"> • DNR logging operations employ industry-standard practices for assuring proper tracking and tracing of logs to the point of origin, to assure proper receipt of income and to assure payment of fees to logging and trucking personnel (in situations of contract logging operations). The procedures include unique “trip tickets” affixed to each truckload as well as visible marking of a portion of the logs in each load. • DNR headquarters and field personnel (no a lesser extent) are generally aware that only logs sourced from the state forest—if the forests were to achieve certification—can be considered as “certified” for down stream purposes 	

Findings: There are no regional indicators associated with this Criterion. Though the DNR has the capacity to control the flow of certified wood (were the state lands to be certified), it has not yet developed and documented a system that addresses the FSC’s 6 Principles of Chain of Custody. Thus, the team has assigned a score that connotes “marginal conformance” with this Criterion, as elaborated by the Pacific Coast Regional Standard.

C8.4	<ul style="list-style-type: none"> • Monitoring information on stand conditions and the constraints under the HCP has been integrated in the sustainable harvest calculation. 	<ul style="list-style-type: none"> • Monitoring information has not been put into a landscape context, making site specific implementation decisions difficult
Score: 82	<ul style="list-style-type: none"> • The ongoing SHC process is attempting to evaluate the alternatives against desired future conditions 	<ul style="list-style-type: none"> • While there is an informal or de facto adaptive feedback loop to information collection and plan modification, monitoring is not sufficient comprehensive and plan update frequencies are too long

Findings: There is one regional indicator associated with this Criterion that the audit team considered. At bottom line, this Criterion and the regional indicator specified to elaborate upon the Criterion call for an “adaptive management” approach where the results of monitoring are used to inform the implementation and modify, over time, the management plan. The indicator, itself, calls for consideration of monitoring results relative to desired future conditions and that management plans be periodically revised to achieve desired future conditions. It is the judgment of the audit team that DNR planners and managers do, on an informal and non-comprehensive level, endeavor to employ the concept of adaptive management. Accordingly, the team has assigned a score that connotes “marginal conformance” with this Criterion, as

elaborated by the Pacific Coast Regional Standard.

C8.5	<ul style="list-style-type: none">An interested reader can glean a general sense of ongoing monitoring activities through a careful perusal of the DNR web site	<ul style="list-style-type: none">A summary of monitoring information that expressly addresses the subject areas enumerated in Criterion 8.1 is not maintained and, as such, is not available upon request
Score: 75		

Findings: There is one regional indicator associated with this Criterion that the audit team considered. This indicator requires that a summary of monitoring information is maintained up-to-date and that it is publicly available upon request. The Criterion, itself, requires that the publicly available summary address all subject areas listed in Criterion 8.2. In that DNR has not structured a west-side wide monitoring and reporting system—with public summary—that expressly responds to this Principle and that, in particular, DNR is notably weak in the areas of monitoring social impacts and observed changes in floral composition, the audit team concludes that more work is needed to be adequately responsive to this Criterion. Accordingly, the team has assigned a score that connotes “non-conformance” with this Criterion, as elaborated by the Pacific Coast Regional Standard.

Findings and Conclusions:

Based upon the performance scores assigned to the 5 Criteria in this Principle, the resulting weighted average score for the entire Principle adds up to 80, which connotes the barest of adequate conformance for purposes of certification. DNR’s management of the west-side trust forestlands was judged to be in non-conformance with 2 of the 5 Criteria in this Principle: C8.1 (frequency and intensity of monitoring) and C8.5 (public summary of monitoring results). The weighted average score clearly indicates that any further disinvestment in monitoring programs, for instance due to further budget reductions, would reduce overall conformance to this Principle to a non-certifiable level.

Corrective Action Requests and Recommendations:

Were DNR to seek FSC-endorsed certification, at least two Corrective Action Requests would have to be stipulated by SCS and embraced by DNR. These Corrective Action Requests would deal with the following topics:

CAR 2003.5: Develop and begin to implement a comprehensive monitoring protocol that addresses all aspects of trust forestland management, including social impacts and that assesses the extent to which the management plan is being properly implemented

CAR 2003.6: Develop a concise and easily discernable public summary of comprehensive monitoring results that is kept up to date and that addresses all of the subject areas enumerated in Criterion 8.2

CAR 2003.7: Design and document a chain-of-custody control system that assures the integrity of the certified wood supply from the trust forestlands from “stump to forest gate” and that clearly establishes DNR’s roles and responsibilities within the control system.

Importance Weighted Aggregate Score for Principle 8:

Employing the PAIRWISE algorithm, the evaluation team assigned weights of relative importance for each of the 5 Criteria in this Principle. Under SCS’ accredited protocols, assignment of weights of relative importance is one means by which certification evaluations recognize and incorporate regional and sub-regional circumstances. In this case, the weights were designed to reflect the regional context in which the subject forest management unit is located.

FSC Principle #8 <i>Monitoring and Assessment</i>	Normalized Relative Importance Weights	Performance Scores	Weighted Average Score
8.1	.15	77	79.9
8.2	.26	81	
8.3	.08	80	
8.4	.37	82	
8.5	.14	75	
			79.9

Applying the normalized weights of relative importance to the 5 assigned performance scores, and rounding to the nearest integer, leads to a weighted average score for the Principle of:

80

Per SCS protocols duly accredited by the FSC, and as this weighted average score is in excess of 80 points, marginally acceptable overall conformance to this FSC Principle is confirmed. This finding would require reconsideration in the event that DNR were to change policies and/or practices pertinent to the scope of this Principle, subsequent to issuance of this report.

SECTION 1.9 PRINCIPLE #9: MAINTENANCE OF HIGH CONSERVATION VALUE FORESTS

(Note: While FSC Principle 9 has existed since the beginning of the P&C, it is only with the emergence of FSC Regional Standards that HCVF has moved to the fore in terms of a set of affirmative expectations or obligations placed upon managers of FSC-certified forests. As such, HCVF is one subject area in the Pacific Coast Regional Standard that has undergone the greatest evolution as compared to the Interim Standard that was employed during the 2000 audit.)

This FSC Principle is elaborated through 4 Criteria that collectively focus on the identification and appropriate management of areas within the defined forest area(s) that possess notable

attributes meriting conservation. Such attributes may be ecological or social, in nature. Areas of high conservation value are to be managed so that the defining attributes are maintained or enhanced; focused monitoring must be undertaken with respect to efficacy of HC VF management strategies.

9.1 Assessment to determine the presence of the attributes consistent with High Conservation Value Forests will be completed, appropriate to scale and intensity of forest management

9.2. The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.

9.3 The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach. These measures shall be specifically included in the publicly available management plan summary

9.4 Annual monitoring shall be conducted to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.

Criterion	Strengths Relative to the Standard	Weaknesses Relative to the Standard
C9.1 Assessment to determine the presence of the attributes consistent with High Conservation Value Forests will be completed, appropriate to scale and intensity of forest management	<ul style="list-style-type: none"> DNR has supported the Natural Heritage program through the NAP. Through the Heritage process that includes consulting with experts, DNR has conserved identified plant communities. Areas possessing high conservation value attributes are being identified, albeit through a relatively ad hoc process 	<ul style="list-style-type: none"> While areas are being protected, they are not identified and managed expressly as 'HCVF' Endangered species habitat, old growth and other areas have not been adequately defined and mapped; this is not in the format that demonstrates clear conformance to this Criterion Assessments for NAP have been primarily for protecting representative plant communities only. The NRCA protects scenic landscapes and ecologically sensitive areas but does not use identified HCVF attributes identified through a consultative process.
Score: 82		

Findings: There is one regional indicator associated with this Criterion and which was considered by the audit team. It is the sense of the auditors that DNR's programs and initiatives (most notably, the HCP process and the Natural Heritage Program but also less formal efforts such as view corridor management) do indeed focus on identifying and appropriately managing areas within the trust forestlands that possess special attributes. However, these efforts and initiatives are not coordinated under a unified and comprehensive approach that expressly responds to FSC's HCVF analytical requirements. But, on balance, the audit team has afforded greater weight to the fact that, collectively, DNR's efforts at identifying areas with special values and managing for the maintenance of those values is fundamentally responsive to the thrust of this Criterion. Accordingly, the team has assigned a score that connotes "conformance" with this Criterion, as elaborated by the Pacific Coast Regional Standard.

C9.2 The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.	<ul style="list-style-type: none"> The NAP and the NRCA systems are different both in consultative approaches and conservation intent; both processes, when integrated into a unified HCVF system, can contribute to meeting FSC P9 requirements 	<ul style="list-style-type: none"> HCVF is not a known term to most DNR staff. The NRCA and the NAP processes and objectives are similar to the FSC HCVF processes, but the differences need to be addressed. DNR is not expressly conducting consultation with respect to HCVF. DNR does not presently have a "transparent and accessible public review of proposed HCV attributes and areas."
Score: 78		

Findings: There is one regional indicator associated with this Criterion and that was considered by the audit team. The focus of this Criterion is on public/stakeholder consultation as an integral component of a forest manager's HCVF program. While DNR does engage in a range of

component of a forest manager’s HCVF program. While DNR does engage in a range of stakeholder consultations (such as in the SEPA context), none of the extant consultative processes can credibly be viewed as adequately addressing HCVF. With respect to public consultation, the need to “speak the FSC HCVF language” is of heightened importance and, at present, DNR is not doing this. Accordingly, the team has assigned a score that connotes “marginal non-conformance” with this Criterion, as elaborated by the Pacific Coast Regional Standard.

<p>C9.3 The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach...</p>	<ul style="list-style-type: none"> • Through existing programs, many areas possessing special attributes are managed so as to maintain those attributes • NRCA and NAP have management schemes identified for their protection. • The Legacy Trust is one potential process to develop long-term funds to maintain these lands. 	<ul style="list-style-type: none"> • DNR has not designed a system that comprehensively defines and delineates areas of high conservation value, per FSC definition. Further, DNR has not developed a comprehensive set of specific measures that ensure the maintenance and/or enhancement of the defined high conservation attributes. • No HCVF monitoring protocols exist • Natural areas and recreation have been combined as a budgeting process and both have been seriously under funded. • Newly recommended areas have not had boundaries identified, since long-term funding has not been settled. • DNR is not presently seeking to actively collaborate with other landowners in coordinated HCVF conservation efforts
<p>Score: 75</p>		

Findings: There are three regional indicators associated with this Criterion and that were considered by the audit team. Collectively, these indicators—and the language of the Criterion, itself—require an explicit treatment of HCVF within the management plan, including the implementation of specific measures designed to ensure the maintenance of the identified HCV attributes. While there are various aspects of the current DNR management system and attendant programs that overlap and, to varying degrees, address the HCVF mandate, the fact remains that DNR does not presently have a program initiative or compilation of existing initiatives that adequately responds to the HCVF mandate and that is formally incorporated into the DNR’s planning documents. Accordingly, the team has assigned a score that connotes “non-conformance” with this Criterion, as elaborated by the Pacific Coast Regional Standard.

<p>C9.4 Annual monitoring shall be conducted to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.</p>	<ul style="list-style-type: none"> • DNR engages in a range of activities, some of which constitutes monitoring to varying degrees of formality, and some of which address issues that overlap with FSC’s HCVF mandate for certified land owners 	<ul style="list-style-type: none"> • There is no monitoring protocol designed and implemented expressly for assessing the efficacy of management prescriptions designed to maintain identified high conservation values
<p>Score: 75</p>		

Findings: There are no regional indicators associated with this Criterion. Thus, the audit team relied upon the express terms of the Criterion, itself, to ascertain conformance. The unavoidable fact is that DNR does not presently engage in annual monitoring that focuses on the effectiveness of measures and prescriptions employed to maintain identified HCF attributes, as defined and delineated across the forest estate. While there are various types of monitoring and oversight that touch upon this requirement, a comprehensive and structured HCVF monitoring system is not in place. Accordingly, the team has assigned a score that connotes “non-conformance” with this Criterion, as elaborated by the Pacific Coast Regional Standard.

Findings and Conclusions:

While DNR engages in a variety of activities and programs that collectively do help to identify and appropriately manage areas within the trust forestland estate that possess attributes of high conservation value, DNR presently does not address HCVF in a coordinated, comprehensive manner—with sufficient formality—to be considered in adequate conformance with the breadth of this Principle. To use a colloquial expression, Principle 9 requires certified forest managers to both “walk the walk” and “talk the talk” with respect to defining, identifying, managing and monitoring areas of their forest estate that possess high conservation values. DNR, to a substantial but ad hoc and incomplete degree, “walks the walk” but it does not “talk the talk” in the vernacular expected by Principle 9 and that clearly demonstrates a commitment to a comprehensive treatment of the HCVF subject.²¹

Operationally, this conclusion is reflected in the fact that 3 of the 4 Criteria in this Principle were assigned scores less than 80 and, more importantly, the weighted average score for the entire Principle is less than 80.

Before DNR’s management of the west-side trust forestlands were to receive FSC-endorsed certification, substantive progress would have to be made in elevating the consideration of high conservation value forest areas within the overall management system.

²¹ DNR’s non-conformance with this Principle is shared by other FSC certification applicants and certificate holders, reflecting the increased emphasis placed on HCVF by the FSC and, by extension, the certification bodies. Over the past season of certification audits, SCS has issued other Major CARs to certification applicants because of gaps relative to P9 and we have also issued several CARs as part of annual audits and 5-year recertification audits.

Corrective Action Requests:

A Major CAR is required because the weighted average performance score for Principle 9 was less than 80, based upon the performance scores assigned to each of the Criteria that comprise Principle 9.

Major CAR 2003.1: Prior to award of certification, DNR will need to prepare and make substantive progress in implementing a HCVF “action plan” that fully responds to the expectations placed upon FSC-certified forest managers, as described in Principle 9, its attendant Criteria and the additional Pacific Coast regional indicators

The following (minor) CARs are correlated to observed non-conformances at the Criterion or sub-Criterion level, within this Principle:

CAR 2003.8: Design and then implement a stakeholder consultation process for soliciting public input (from both the lay and scientific/technical publics) on: a) the identification of salient high conservation values likely to be found on the trust forestlands, b) areas within the trust forestlands that possess these attributes, c) strategies and prescriptions for conserving/maintaining these attributes and, d) monitoring the efficacy of these strategies and prescriptions

CAR 2003.9: Utilizing the DNR’s resource management expertise and input gathered through stakeholder consultation, design and incorporate into the management planning structure a set of guidelines, strategies and prescriptions for managing the trust forestlands so as to maintain all identified high conservation values

CAR 2003.10: Design and begin to implement a comprehensive and structured HCVF monitoring system that may, in part, rely upon (i.e., utilize) extant monitoring activities but that expressly focuses on all identified high conservation values

Importance Weighted Aggregate Score for Principle 9:

Employing the PAIRWISE algorithm, the evaluation team assigned weights of relative importance for each of the 4 Criteria in this Principle. Under SCS’ accredited protocols, assignment of weights of relative importance is one means by which certification evaluations recognize and incorporate regional and sub-regional circumstances. In this case, the weights were designed to reflect the regional context in which the subject forest management unit is located.

FSC Principle #9 <i>Maintenance of High Conservation Value Forests</i>	Normalized Relative Importance Weights	Performance Scores	Weighted Average Score
9.1	.35	82	77.8
9.2	.11	78	
9.3	.35	75	
9.4	.19	75	
			77.8

Applying the normalized weights of relative importance to the 4 assigned performance scores, and rounding to the nearest integer, leads to a weighted average score for the Principle of:

78

Per SCS protocols duly accredited by the FSC, and as this weighted average score is less than 80 points, the update audit reveals un-acceptable overall conformance to this FSC Principle. Accordingly, FSC-endorsed certification could not be awarded until such time that DNR completed actions contained in the Major Corrective Action Request stipulated by the SCS audit team.

1.10 PRINCIPLE #10: PLANTATIONS

Per FSC protocols and guidelines, this Principle applies in certification evaluations where the silvicultural regimes employed in the field result in forest conditions that meet the definition of “plantation forest management.” As can be found in the glossary to the FSC P&C as well as the glossary to the Pacific Coast Regional Standard, plantation forests are those that lack “most” of the structure, composition and characteristics of a native forest endemic to the region. The judgment as to whether or not management activities constitute plantation forest management versus natural forest management must consider the entirety of the management regimes over the life of the stands. Notably, clearcutting and planting, by itself, does not constitute plantation forest management.

Based upon a careful review of the silvicultural regimes employed by Washington DNR on the west-side trust forestlands, and an examination of the stand and forest structures resulting from the application of these regimes, it is the SCS audit team’s clear conclusion that DNR is practicing natural forest management on the trust estate, albeit a somewhat intensive or “industrial” form of natural forest management. Accordingly, the Principle was judged to not be applicable to this certification evaluation.

We wish to emphasize that further shortening of rotation lengths and reductions in the level/extent of green retentions within regeneration harvest units could very well lead to a determination that DNR is practicing “plantation forest management” and a good portion of the forest estate. If this were to be the case, the certification decision must also expressly consider conformance to the 9 Criteria comprising Principle 10. More definitively, a transition to plantation forest management on a portion of the forest estate would seriously call into question

DNR's conformance with Criterion 6.10. As conversion of natural forests to plantations, beyond a very limited extent and with additional justifications, constitutes a barrier to FSC-endorsed certification, non-conformance with Criterion 6.10 would, in and of itself, preclude award or maintenance of certification.

2.0 TRACKING, TRACING AND IDENTIFICATION OF FOREST PRODUCTS

Given the nature of this update audit, a full treatment of wood product tracking, tracking and identification procedures (i.e., "chain-of-custody") is premature.

But based upon the audit team's field inspections, augmented by interviews with pertinent DNR staff, it is quite likely that chain-of-custody procedures could readily be developed, put in place and documented in a manner that complies with the FSC Principles of Chain of Custody. Notably, DNR has a strong fiscal incentive to make sure that wood products harvested from the trust forestlands are accurately measured and tracked to down-stream recipients in order that the State is properly and fully recompensed.

Were DNR to, in the future, seek FSC certification and were DNR or its wood purchasers to desire to make on-product use of the FSC logo, every link in the chain, from the stump onward, will have to be covered by valid FSC-endorsed chain-of-custody certificates. At that time, DNR would need to work with its purchasers of stumpage (i.e., standing trees), as these entities will need to seek and achieve CoC certification for this first, "stump to gate" link in the supply chain. It is possible, indeed possibly preferable, that this collection of stumpage purchasers could be covered by a single "group CoC" certificate held by a single entity. And it is possible that DNR could be that entity. But other entities such as a trade association of logging companies could also hold such a certificate.

3.0 CERTIFICATION RECOMMENDATION

3.1 EXPLANATION OF SCORING AND WEIGHTING METHODS

The scoring and weighting procedures employed by SCS are discussed elsewhere in this report. They are also described in detail in the *SCS Forest Conservation Program Operations Manual*, available upon request from SCS' Emeryville, California, office.

3.2 RECOMMENDATION

SCS recognizes that DNR is not prepared to engage FSC certification at this time, beyond this update audit. Accordingly, a formal recommendation from the audit team to the SCS Certification Committee is not being forwarded, at this time. However, and as detailed throughout this report, DNR would need to substantively respond to a Major Corrective Action Request related to management of high conservation value forests before certification could be awarded. As well, DNR would need to commit to make substantive progress, over defined time periods, on a range of additional issues that would be the foci of several (minor) Corrective

Action Requests.

4.0 APPENDICES

4.1 AGREEMENT ON THE IMPLEMENTATION OF CERTIFICATION CONDITIONS

Given the nature of this update audit, it is premature to execute an agreement on implementation of the certification conditions (corrective action requests).

4.2 PEER REVIEWER COMMENTS

Because of the nature of the audit activities covered by this report, and as reflected in the scope of work budgeted by The Pinchot Institute, this update audit report was not peer reviewed. Were the Washington DNR to elect to proceed with FSC-endorsed certification, this report would need to be peer reviewed.